

CORDRY APPRAISAL SERVICES, INC.

REAL ESTATE APPRAISAL AND CONSULTATION

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INVOICE	11/11/07	2616.0
	DATE	FILE #

Client: International Speedway Corporation
1801 W. International Speedway Bl.
Daytona Beach, FL 32114

Ordered By: Mr. Brian K. Wilson
Vice President

Service(s)	Fee
------------	-----

APPRAISAL FEE FOR A:

***SELF-CONTAINED APPRAISAL REPORT EMPLOYING THE
SALES COMPARISON APPROACH TO VALUE*** **\$3,500**

Borrower/Owner: Kansas International Speedway Corporation

Property Name: Kansas Speedway development land
Property Address: Located at 600 Village West Parkway
Kansas City, Kansas 66111

Payment Received:
Date Received:

Total Due: **\$3,500**

Tax I.D. #74-2813-970

Thank You.

Cordry Appraisal Services hereby reserves the right to assert a lien on the property for unpaid appraisal fees and expenses.



*A Real Estate Appraisal in a
Self-Contained Report of a Development Land Parcel
Known as the:*

KANSAS SPEEDWAY DEVELOPMENT LAND

ANSAS SPEEDWAY CORPORATION

Located at:

**600 VILLAGE WEST PARKWAY IN
KANSAS CITY, KANSAS 66111**

Effective October 21, 2007

Report Prepared On October 30, 2007

Prepared For:

**MR. BRIAN K. WILSON
VICE PRESIDENT**

**INTERNATIONAL SPEEDWAY CORPORATION
1801 W. INTERNATIONAL SPEEDWAY BL.
DAYTONA BEACH, FL 32114**

Prepared By:

**REG W. CORDRY, MAI
KEVIN P. O'BRYAN, MAI**

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October 30, 2007

Mr. Brian K. Wilson
Vice President
International Speedway Corporation
1801 W. International Speedway Bl.
Daytona Beach, FL 32114

**Re: The Kansas Speedway development land
A development land parcel located at
600 Village West Parkway in
Kansas City, Kansas 66111
Cordry Appraisal Services, Inc. File #: 2616.0**

Mr. Wilson:

Under your authorization, we have made an appraisal of the above captioned property which has been provided in the attached report. The subject is a 101.89 acre development land parcel that is zoned AG, Agricultural district. The property is located at 600 Village West Parkway, in Kansas City, Kansas. A complete legal description and property description can be found in the appraisal report.

The purpose of the appraisal is to estimate the Market Value of the real estate described above and the real estate has been appraised as though in Fee Simple Estate. These terms are defined in the body of this report.

The report prepared employs the the sales comparison approach to value and the appraisal is presented in a self-contained report. It is noted that this letter of transmittal is not an appraisal report and the opinions expressed herein are only a summary of the data contained in the appraisal and should be taken only in conjunction with the information contained in the appraisal report and the addenda to that report following. The estimate of value is qualified by various assumptions, limiting conditions, and definitions that are contained in this appraisal report.

After a complete inspection of the above property and after having considered all pertinent data affecting valuation, including the type, location, use and earning power of the subject property, the sales and asking prices of comparable properties, and the trend of the neighborhood, we are of the opinion that the market value or probable selling price of the subject property, the Kansas Speedway development land, a development land parcel located at 600 Village West Parkway, in Kansas City, Kansas, is summarized as follows.

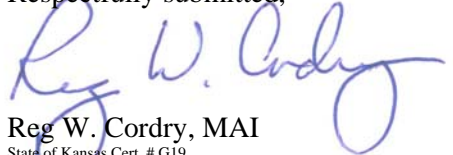
The final reconciled value indication for the **Fee Simple Estate** interest of the subject property, **as is**, by all of the applied approaches, as of **October 21, 2007**, is:

□□ **\$22,000,000** □□

This appraisal has been made in conformity with the rules of professional ethics of the Appraisal Institute and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

Your attention is directed to the appraisal report which follows. Thank you for the privilege of serving you.

Respectfully submitted,



Reg W. Cordry, MAI
State of Kansas Cert. # G19
State of Missouri Cert. # RA001990



Kevin P. O'Bryan, MAI
State of Kansas Cert. # G508
State of Missouri Cert. # RA002143

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THE KANSAS SPEEDWAY DEVELOPMENT LAND

Located at:

**600 VILLAGE WEST PARKWAY
KANSAS CITY, KANSAS 66111**

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APPRAISAL INFORMATION SUMMARY

CORDRY APPRAISAL SERVICES, INC.

10/21/07

File # 2616

PROPERTY IDENTIFICATION

Property name:	KANSAS SPEEDWAY DEVELOPMENT LAND	Index #:	60000
Address:	600 VILLAGE WEST PARKWAY	Appraisal file #:	2616.0
City, state, zip code:	KANSAS CITY, KANSAS 66111	Appraiser(s):	KEVIN P. O'BRYAN, MAI
County:	WYANDOTTE	Appraiser(s):	REG W. CORDRY, MAI
Legal description:	PART OF LOT 1 OF KANSAS SPEEDWAY CORPORATION	Photo ID #:	Y:\COMPHOTO\KPO2616.0\VNW1.JPG

APPRAISAL & PROPERTY DATA

Date of Inspection:	10/21/2007	Land area (acres):	101.89
Date of Valuation:	10/21/2007	Land area (sf):	4,438,285
Date of Report:	10/30/2007	Zoning:	AG, AGRICULTURAL DISTRICT
Property rights appraised:	FEE SIMPLE ESTATE		
Highest and Best Use:	CONTINUED USE IN SUPPORT OF THE EXISTING DEV		
Owner(s) of Record:	KANSAS INTERNATIONAL SPEEDWAY CORPORATION		
Floodplain influence:	NONE		
Flood map panel #:	200363 0010A		
Flood map date:	8/3/1981		
Tax Year:	2007		
County Appraised Value:	\$46,473,650		
Tax Mill Levy or Tax Rate:	0.00000		
Tax Comment:	EXEMPT		



REPRESENTATIVE
VIEW OF THE
SUBJECT

VALUE CONCLUSIONS

	<u>AS IS</u>
COST APPROACH	Not Applied
SALES COMPARISON APPROACH	\$22,000,000
INCOME APPROACH	Not Applied
FINAL VALUE ESTIMATE	\$22,000,000

Land Value (Rounded):	\$22,000,000
Land Value per Square Foot:	\$4.96
Land Value per Acre:	\$215,921

INTRODUCTION

PROPERTY OVERVIEW AND IDENTIFICATION

The subject property is a 101.89 acre development land parcel located at 600 Village West Parkway, in a moderately traveled location the southwest quadrant of the intersection of State Avenue and Village West Parkway and having good access from area highways. The property is located at a primary location within the Kansas Speedway and Village West entertainment district.

LEGAL DESCRIPTION

The subject tract is legally defined and identified as follows:

A part of Lot 1 of KANSAS SPEEDWAY CORPORATION, a subdivision in the City of Kansas City, Wyandotte County, Kansas.

A complete legal description is included within the site exhibit contained in the Site Analysis section of this report following. The land area used is the net site area, net of the primary perimeter roads serving the development.

OWNERSHIP

The ownership of the property is listed in County records as follows:

Kansas International Speedway Corporation

HISTORY OF THE PROPERTY

The property is a part of a 983.68 acre development owned and operated by Kansas International Speedway Corporation, which has owned the property since about 1998. Kansas International Speedway Corporation developed a portion of the larger site with a 1.5 mile tri-oval race track with seating for 75,000. This \$250 million development opened in 2001. The speedway has been successful and additional seating has subsequently been added, increasing the capacity to 82,000 at present.

The subject parcel is located along the southeast perimeter of the speedway and is being considered as a possible development site for a new casino. The proposal calls for a \$600 million casino with 3,000 slots, 100 table games, a 500 room hotel (w/room to expand to 1,200 hotel rooms and condo units), and 300,000 sf of retail, entertainment and dining spaces.

The possible development of the site would result in the transfer of the ownership of the subject parcel. The sale would be an "internal" transfer with the price being established based on the market value of the site as vacant and without consideration of the possible approval of any plan, without a zoning change, and without the benefit of any public assistance for development of the site, such as Star bonds or TIF financing. The transfer price has not been established as of the date of this appraisal.

FUNCTION OF THE APPRAISAL AND INTEREST APPRAISED

The purpose of the appraisal is to estimate the Market Value of the real estate described in Fee Simple Estate, "as is", as of **October 21, 2007**, the effective date of value by this report. The property was inspected on October 21, 2007.

Fee Simple is defined as follows.

Fee Simple: An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police powers, and taxation: An inheritable estate.

INTENDED USE OF THE APPRAISAL

This appraisal report is being prepared for and directed to Mr. Brian K. Wilson, Vice President of International Speedway Corporation (the client), and is being used for the sole purpose of establishing the market value of the subject property for use by International Speedway Corporation as a basis for evaluation of an internal transfer decision.

Our engagement to provide appraisal services is based upon an exchange of information about the property and assignment that was unique between the client and Cordry Appraisal Services, Inc., and which serves as the basis upon which this report has been prepared. Because of the importance of this communication, and because of the relationship between the client and the appraiser, any reliance upon or any use of this report by any other parties for any use whatsoever, is prohibited.

Reliance or use by any such third party without the explicit authorization in the report does not make said third party a third party beneficiary of any contract between the client and Cordry Appraisal Services, Inc. Any such unauthorized reliance or use of this report, including any of its information or conclusions, will be at the third party's risk. For the same reasons, no warranties or representations, expressed or implied in this report, are made to any such third party.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, we have consulted with the client of this report and the owner in an effort to attain any site plans and/or surveys of the property, as well as any title policies. We have also interviewed the parties and reviewed available County records and other sources in an attempt to determine the recent history of the property in terms of both its performance in the market and its chain of ownership, as well as any rental information.

An inspection of the property was made and the site, as well as the improvements to the site, were inspected.

In addition, we have gathered information from the subject's neighborhood and competing areas concerning area trends and development, and have obtained information concerning comparable land sales, market rents, operating expenses, and capitalization and yield rates. We have confirmed the sale and rental information and analyzed the information obtained.

In our analysis of the subject property, a development land parcel, only the Sales Comparison Approach is applied. The Cost Approach is not applicable because there are no significant improvements to the site. The Income Approach is not applied because properties similar to the

subject in this market will not generate any income consistent with their value. The Sales Comparison Approach is the only reasonable method of valuation for the subject site. Therefore, this appraisal is not limited in scope.

DEFINITION OF MARKET VALUE

The most probable price which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and each acting in what they consider to be their own best interests.
3. Reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
5. The price represents a normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

The term reasonable exposure time is defined as the estimated length of time the property interest being appraised would have been offered prior to the consummation of a sale at market value assuming a competitive and open market. It is noted that with regard to the USPAP requirement concerning a reasonable exposure time, exposure time is always presumed to precede the effective date of appraisal. It is further noted that the overall concept of reasonable exposure time assumes an adequate, sufficient, and reasonable marketing effort on the part of the seller.

The appropriate exposure time for the subject property in this market is discussed and quantified in the Marketing Period section of the report following.

¹ *Federal Deposit Insurance Corporation, 12 CFR 323.2.*

SPECIAL LIMITING CONDITIONS

This appraisal is being made in an effort to establish the value of the land without regard to the possible approval of any development plan, and without the possible approval of any zoning change or public financing.

Further, this appraisal is being made under the assumption that the casino proposal for the subject site is not publicly known. This is a hypothetical condition. The use of a hypothetical condition is appropriate in the valuation of real property when the use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison. It is further required that the use of a hypothetical condition results in a credible analysis and that the extraordinary assumption is disclosed in the appraisal report. The analysis and valuation contained in this report meet with each of the preceding criteria. It is noted, though, that the use of such an assumption may result in a value conclusion that differs substantially from a value conclusion derived without the application of such an assumption.

Further, for clarification, the possibility of a casino being located on the site is not being excluded as a possible use of the site at some future date.

TAX DATA

The subject property is currently assessed and taxed as follows.

YEAR	2007
PARCEL I.D. #	258600
MILL LEVY	\$0.00
ASSESSMENT RATE	25.00%
APPRAISED VALUE – LAND	\$13,418,230
APPRAISED VALUE – IMPROVEMENTS	\$33,055,420
TOTAL APPRAISED VALUE	\$46,473,650
GENERAL TAXES	\$0.00
SPECIAL ASSESSMENTS	\$0.00
TOTAL TAX AMOUNT	\$0.00
STATUS	Exempt

The subject land involves only a portion of the land within this parcel, which contains approximately 892 acres. The tax amount and appraised value are from 2007.

The County's land value for the parcel is roughly \$15,000 per acre, implying a value in the range of \$2,250,000 for the subject's share of the larger property.

AREA ANALYSIS - GREATER KANSAS CITY AREA

OVERVIEW

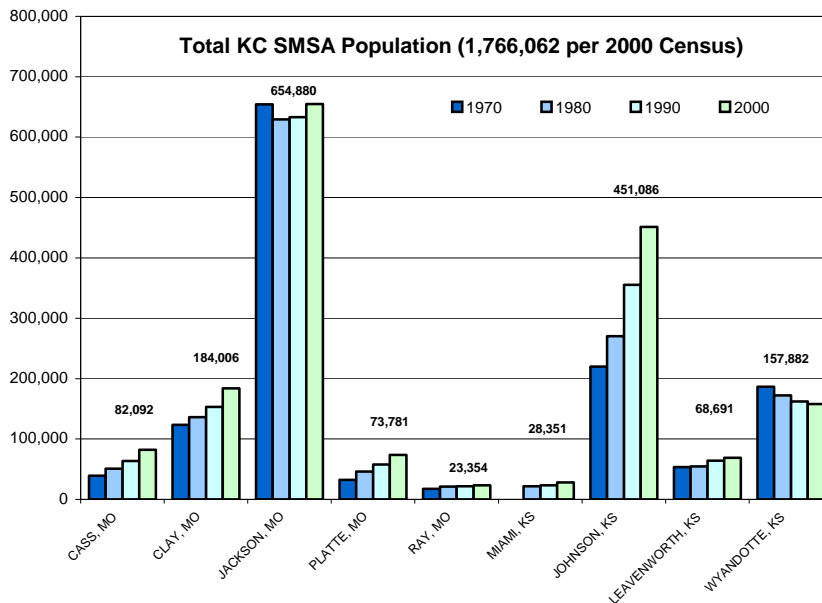
The Kansas City metropolitan area is situated at the confluence of the Kansas and Missouri Rivers. The City originally developed as a transportation hub with river traffic and roadways that facilitated westward migration. The City became a rail center and has developed a large industrial base over the years.

The Kansas City Standard Metropolitan Statistical Area (KCSMSA or SMSA) was defined in the 2000 Census as an eleven county area of Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri, and Miami, Johnson, Leavenworth, and Wyandotte Counties in Kansas. Clinton County was added in 1993. Franklin and Linn counties in Kansas, and Bates and Caldwell counties in Missouri were added to the MSA in 1993. Atchison County in Kansas, and Johnson County in Missouri were added in 2004 to form what is now a 15 county MSA.

Wyandotte County is the smallest County in the metropolitan area, encompassing only about 151 square miles. The other Counties are generally similar in size and range from 412 square miles of land in Clay County, to 698 square miles in Cass County.

POPULATION AND TRENDS

The 15 County SMSA has a population of 1,776,062 as of 2000 (*U.S. Census Bureau*) and is ranked in the top 25 in terms of population for Metropolitan Statistical Areas. Of this area, nine counties are generally considered to be in the metropolitan area's core. A summary grid of the populations of the primary counties that make up the SMSA as indicated by the U.S. Census is included following.



This table includes the population figures for the primary Counties in the KC Standard Metropolitan Statistical Area (KC SMSA) for each Census since 1970.

The 2000 population totals for each County are shown above the respective bars in the grid.

Source: Cordry Appraisal Services, Inc. compiled from Bureau of Census and MARC

Jackson County has the greatest population and highest density, but has experienced only a nominal population change over the last three decades. Similarly, eastern Wyandotte County is relatively dense in terms of population. These Counties embody the original development in the metropolitan area. Wyandotte County has experienced a slight but steady loss in population over the last three decades, but has seen marked increases in demand over the last several years. Miami and Johnson Counties in Kansas, and Cass, Clay, and Platte Counties in Missouri have experienced the greatest population gains over this same time frame. The gains in these Counties can be at least partially attributed to “flight” from the inner city areas. The growth in Johnson County is significant, having more than doubled since 1970.

ECONOMY/WORK FORCE

Kansas City remains a desirable place for families and business due to a relatively strong economic base. Kansas City features a diversified economy with a strong agribusiness base. The agribusiness community has become more refined in the last decade as the importance of the stockyards has diminished and farm business has increased. The Kansas City Board of Trade is a major international market.

Throughout the 1980's and into the 1990's, Kansas City's economic base has shifted towards service industries. A significant number of businesses based in the Kansas City region are involved in the fields of advanced technology and research and Kansas City has become a major center for companies that manufacture agricultural pharmaceutical and health products. Due to its central location in the United States, Greater Kansas City is also a natural telecommunications hub.

Overall, roughly two-thirds of the area's work force is involved in white-collar jobs. A chart depicting the primary job classifications and their percent of the entire work force is included following.

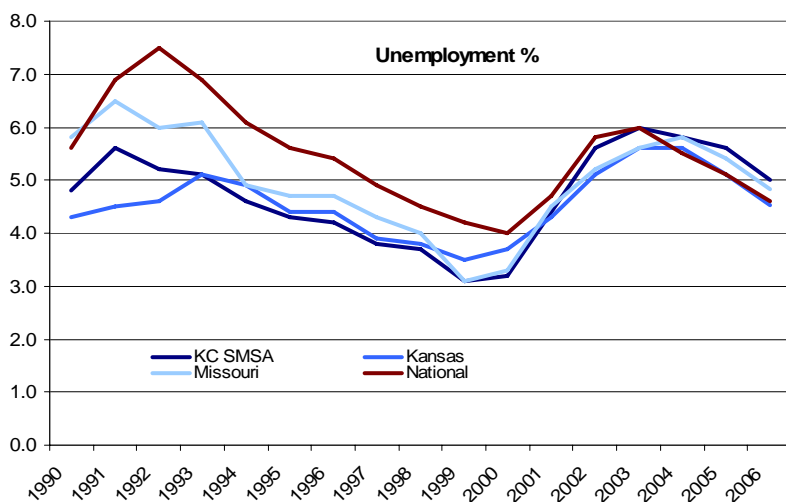
WORK FORCE	
JOB CLASSIFICATION	%
Construction & Mining	7.1
Manufacturing	9.9
Wholesale Trade	4.1
Retail Trade	12.3
Transportation & Warehousing	4.9
Utilities	0.9
Information	4.1
Financial Activities	9.0
Professional & Business Services	11.0
Education & Health Services	19.5
Leisure & Hospitality	7.7
Other Services	4.8
Public Administration	4.7

* ThinkKC, Greater Kansas City Profile, 2005

The two primary employment centers in the metropolitan area are Downtown Kansas City, Missouri, and the College Boulevard office corridor in Johnson County. Downtown is home to both the major financial institutions serving the SMSA, and Federal, County, and City governments.

The College Boulevard office corridor was developed primarily in the early to mid-1980's and is now home to the second largest office market in the metropolitan area. Other major employment centers include the KCI airport in the northern reaches of the metropolitan area, and the Country Club Plaza regional office and shopping center district in mid-town Kansas City.

A graph detailing the historical unemployment rate for the area is shown following.



This table includes the unemployment figures for all of the combined Counties in the KC Standard Metropolitan Statistical Area (KC SMSA) for each year since 1990, plus a comparison to the Kansas, Missouri, and National rates over the same time frame.

The figures used are the annual averages for each year reported.

Source: Cordry Appraisal Services, Inc. compiled from Bureau of Census and MARC

Historically, the unemployment rate for Kansas City had ranged from one to two percentage points below the national average. The historical low rate of unemployment for the metropolitan area can be largely attributed to its diverse employment base. The more recent downturn in this spread corresponds to a period where several major corporations in the local market have experienced layoffs.

According to the Greater Kansas City Profile, the ACCRA Cost of Living Index for Kansas City was 93.5 in 2006, and the city ranks 11th in housing affordability among the 191 metropolitan areas. The national average cost for each index area is set at "100", and the indices for each place are then calculated based upon their relation to that average. In addition, the total cost of living index does not include taxes. Kansas City consistently rates as one of the most affordable housing markets among metropolitan areas with populations exceeding one million.

REAL ESTATE ACTIVITY AND TRENDS

The metropolitan area has experienced building "booms" in the early 1980's and again in the middle to late 1990's and into 2000. This growth was generally area wide but the largest Counties in terms of population experienced the greatest growth. Jackson County, Missouri, led in manufacturing growth, while Johnson County, Kansas, led in residential and retail development. Development in Kansas City has slowed over the last few years as a result of a tightening of the market and the slowdown in the nation's economy that began in 2001.

The strongest areas of growth over the last several years have included the downtown Central Business District, the Northland, eastern Jackson County, western Wyandotte County, Kansas, and south Johnson County, Kansas. A summary of the most recent and significant area developments follows.

Major developments in the downtown Central Business District and adjacent Crossroads area are detailed following.

H. Roe Bartle Exposition Center

Renovated in 2005 and expanded with new \$135 million, 40,000 sf ballroom - scheduled for completion in 2007.

President (Hilton) Hotel

\$44 million renovation to a 214 room boutique hotel - opened 2005

Kansas City Star Production Facility

\$200 million, 430,000 sf new production facility, located at 17th & McGee – opened in early 2006

H & R Block

\$138 million, 525,000 sf new world headquarters building involving the consolidation of 1,500 employees to the south part of the downtown loop - opened late 2006

IRS Regional Service Center

\$370 million, 1,140,000 sf new office involving the consolidation of 6,000 employees in the area of Union Station - scheduled to opened in late 2006

Kansas City Live

\$850 million, 425,000 sf entertainment and retail district involving a seven block area adjacent to H & R Block - scheduled opening in Spring 2008.

Sprint Center Arena

\$250 million, 18,000 – 20,000 seat arena and home of the NCAA basketball Hall of Fame, adjacent and the east of the KC Live entertainment district - scheduled for completion in October, 2007.

Federal Reserve

\$200 million new headquarters housing over 1,000 employees - scheduled for completion in 2008

Performing Arts Center

\$326 million, world class performing arts center planned for a 1,800 seat ballet/opera house, a 1,600 seat concert hall and a 250 seat banquet facility. Located south of Bartle Hall – scheduled for completion in 2009

All told there is currently more than \$4 billion in investment in real estate in the area planned or constructed in the downtown core since 2000, including roughly 3,000 residential units, to a 2005 estimated total of 10,237.

Major developments in the Northland are detailed following.

Barry Towne Center

New power center located in Kansas City in the northwest quadrant of Interstate 29 and Barry Road and anchored by Kohl's and Target – opened in 2004

Zona Rosa

New lifestyle center located in Kansas City in the northwest quadrant of Interstate 29 and Barry Road – opened in 2004

Northgate Village

New residential development and retail shops located in North Kansas City in the southeast quadrant of Missouri 210 and Burlington Road – opened in 2005

Liberty Triangle

New Lowe's anchored retail center located in Liberty and involving the redevelopment of the northeast quadrant of the intersection of I-35 and Missouri 152 Highway – opened in 2007

KCI Business Airpark

New 640-acre business development in the southeast corner of the Kansas City International Airport property – construction beginning in mid to late 2007

Tiffany Springs Market Center

New 926,000 square foot Home Depot, Target and Best Buy anchored retail center on 106 acres and located at the northeast corner of Interstate 29 and Missouri 152 Highway – construction beginning in 2007

The Zona Rosa development is being met with very strong demand and has created a strong influence throughout the area. This center is now starting construction on its second phase which will include a 200,000 square foot, three level, Dillard's department store and a 100 room hotel. The \$250 million expansion is expected to be completed in the Fall of 2008 and will nearly double the size of the center to about 1,000,000 square feet.

Major developments in the eastern Jackson County are detailed following.

Hartman Heritage Center

New retail center located in Independence in the northeast quadrant of Interstate 70 and Interstate 470 – opened in 2002

Eastland Town Center

New retail center anchored by Lowe’s and Costco and located in Independence in the southeast quadrant of Interstate 70 and Interstate 470 – opened in 2002

Chipman Center

New retail center located in Lee’s Summit in the southeast quadrant of U.S. 50 Highway and Interstate 470 – opened in 2002

Blue Ridge Mall Redevelopment

\$88 million redevelopment of former enclosed mall to a Wal-mart anchored power center in Kansas City along the south side of I-70 at Blue Ridge Boulevard – opened in 2007

The Falls at Crackerneck Creek

New retail center anchored by 161,000 sf Bass Pro and 300,000 sf of additional retail located in Independence at the southwest corner of Interstate 40 and Interstate 470 – scheduled to open in 2008

The I-470 corridor and the I-70 corridor, east of I-470 are experiencing strong growth and demand.

Major developments in western Wyandotte County are detailed following.

Kansas Speedway

\$250 million, 1.5 mile race track constructed with 75,000 seats (designed for expansion to 150,000 seats), and located in the northwest quadrant of I-70 and I-435 – opened in 2001

Village West

\$250 million, 400 acre entertainment and tourism district located adjacent to the speedway and anchored by Cabela’s, Nebraska Furniture Mart, Great Wolf Lodge, and Community America independent league baseball stadium – opened in 2002 and completed in 2006

Schlitterbahn Water Park

\$412 million, 300 acre resort water park located across I-435 from Village West and the Speedway, includes three-quarter mile river walk, 400,000 sf of retail space, 300 room hotel, and guest cabins and tree houses – anticipated to be completed in 2009

The development of the Speedway and Village West projects has been met with extremely strong demand, with the area already ranked as the number one tourist attraction in Kansas. The track generates a significant economic impact for the area, as fans typically drive as much as 400 miles or more to attend a race and stay in town three to four days. Overall, the Village West development is anticipated to provide 4,000 jobs and will generate \$25 million in sales tax revenue.

The Schlitterbahn park has been approved and \$225 million in Star bonds have been approved. The park could ultimately be expanded to include winter themed activities, up to 1,200 rooms, and as many as 3,300,000 visitors annually. The total cost is expected to be \$750 million.

Development demand for area land parcels is very strong and substantial new residential development is taking place in the surrounding area.

Major developments in southern Johnson County are detailed following.

Overland Park Convention Center

237,000 sf convention center including a 58,500 sf exhibit hall anchored by a Sheraton hotel and located along the south side of Interstate 435, east of Metcalf Avenue – opened November, 2002

Sprint Offices

\$750 million, 3.9 million sf world headquarters campus located in the northwest quadrant of 119th Street and Nall Avenue – completed in 2003

Olathe Pointe

Suburban village style retail center located in the southeast quadrant of 119th Street and Blackbob Road – opened in 2006

Corbin Park

1,000,000 sf plus open air suburban village located at the southeast corner of 135th Street and Metcalf Avenue, just east of U.S. 69 Highway. Anchored by a 100,000 sf fitness center and a variety of upscale national retailers – anticipated to be completed in 2008

Bass Pro Shops

\$268 million, 110,000 sf store and restaurant located on a three acre lake in the southwest corner of 119th Street and I-35 in Olathe, will anchor a proposed development with a hotel and conference center – opened in 2007

The Gateway Development

\$380 million, 300 acre redevelopment and flood control project in the heart of the City of Mission's commercial district and is to include a mix of residential, retail and entertainment uses – the first phase is scheduled to open in 2008

The Johnson County market continues to be strong. Development continues at a rapid pace, particularly in the south and western reaches of the current development trend. Despite this development, Sprint's move into their new campus and subsequent exodus from existing buildings caused a considerable amount of "leased but vacant" space in the Kansas City market. Subsequent retrenchment in the telecom industry forced major lay-offs at Sprint and other companies further decreasing the demand for office space.

The renewed construction activity appears to be as a result of stronger occupancies and higher rental rates as demand has begun to fulfill the market supply. A brief overview of the various sub-markets follows.

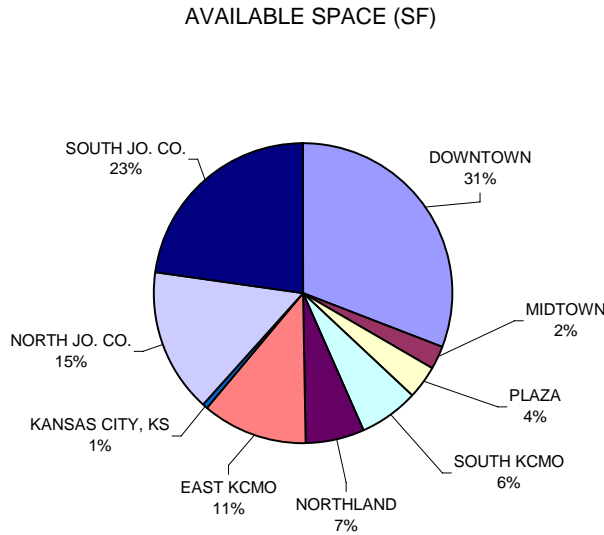
Office market

The local office market has various segments that share like characteristics. The largest of these office sub-markets include the downtown and the South Johnson County sub-markets.

A summary table of the office vacancy by sub-market, including vacancies by building class and building areas, has been reprinted from the Cohen-Esrey market survey and is included following.

OFFICE MARKET OCCUPANCY										
AREA	BLDG. CLASS	RENTABLE SF		% VACANT						
		TOTAL	AVAIL.	12/04	12/03	12/02	12/01	12/00	12/99	12/98
DOWNTOWN	A	5,435,940	1,016,951	18.71	9.03	10.17	6.31	4.12	4.79	6.85
	B	4,642,902	909,362	19.59	18.77	14.83	16.18	15.80	13.26	13.18
	C	1,491,896	159,178	10.67	17.85	19.99	20.12	21.57	19.45	17.64
	R	2,344,046	430,397	18.36	18.76	16.44	17.35	17.45	14.38	17.98
	SUBTOTAL	13,914,784	2,515,888	18.08	14.84	14.05	13.02	11.47	10.73	11.86
MIDTOWN	B	996,121	112,829	11.33	12.65	11.49	14.79	15.23	6.52	8.35
	C	574,963	79,111	13.76	20.93	26.42	55.55	38.98	20.32	30.65
	R	32,000	12,000	37.50	37.50	41.83	41.83			
	SUBTOTAL	1,603,084	203,940	12.72	15.87	16.60	20.52	16.83	8.58	12.18
PLAZA	A	1,896,698	157,661	8.31	5.95	4.28	4.84	10.54	3.84	2.16
	B	700,221	118,624	16.94	20.25	15.10	3.78	5.14	6.53	4.20
	C	241,132	29,116	12.07	16.96	11.39	3.18	3.18	3.18	3.78
	R	74,000	7,885	10.66	30.46	22.83	22.83	34.76	45.23	0.00
	SUBTOTAL	2,912,051	313,286	10.76	11.49	8.36	5.08	12.03	5.94	2.72
SOUTH KANSAS CTY MISSOURI	A	1,815,318	234,811	12.93	16.49	22.07	24.01	33.87	7.18	1.54
	B	913,708	157,628	17.25	28.17	25.23	16.90	14.27	4.67	2.59
	C	329,729	97,208	29.48	19.14	30.36	27.45	43.93	45.67	10.30
	R	64,150	16,000	24.94	28.31	75.06	75.06			
	SUBTOTAL	3,122,905	505,647	16.19	20.43	11.81	22.22	31.70	9.04	2.44
NORTHLAND	A	1,333,259	363,197	27.24	32.92	22.28	19.87	8.42	6.15	8.01
	B	1,794,582	167,860	9.35	14.42	8.10	8.78	9.00	4.64	3.39
	C	306,942	9,238	3.01	3.74	5.91	9.82	15.85	9.82	11.42
	SUBTOTAL	3,434,783	540,295	15.73	20.73	12.97	14.38	8.87	5.44	5.69
EAST KANSAS CTY MISSOURI	A	605,089	139,154	23.00	19.83	17.21	15.31	9.31	4.72	4.54
	B	2,935,800	705,720	24.04	26.27	21.99	16.45	33.23	12.94	9.35
	C	1,208,539	66,882	5.53	5.43	4.98	35.19	38.30	4.26	7.11
	SUBTOTAL	4,749,428	911,756	19.20	20.34	17.51	16.71	16.71	10.51	8.14
KANSAS CTY KANSAS	A	N/A	N/A	N/A	N/A	10.87	6.13	0.00	4.92	3.50
	B	426,671	43,003	10.08	18.13	8.05	10.79	6.77	5.09	4.81
	C	259,368	11,352	4.38	25.57	11.95	13.65	12.09	2.96	5.07
	R	N/A	N/A	N/A	N/A	12.22	7.57	17.78	55.51	10.03
	SUBTOTAL	686,039	54,355	7.92	21.22	10.02	10.33	8.20	13.37	5.23
NORTH JOHNSON COUNTY	A	1,239,792	327,234	26.39	19.86	21.60	9.09	0.14	2.21	1.77
	B	4,331,434	722,431	16.68	17.35	14.95	16.44	12.07	5.42	2.86
	C	1,024,034	181,792	17.75	16.62	9.32	4.59	6.65	3.77	10.12
	R	130,000	34,470	26.52	28.16	24.94	30.13	31.93	0.00	0.00
	SUBTOTAL	6,725,260	1,265,927	18.82	17.91	15.44	15.53	11.27	5.02	2.97
SOUTH JOHNSON COUNTY	A	3,985,311	840,049	21.08	19.98	17.93	14.87	7.51	10.63	7.51
	B	5,451,991	1,003,148	18.40	19.45	19.78	10.44	7.81	4.16	3.90
	C	128,353	29,275	22.81	29.25	17.98		0.00	11.60	0.00
	SUBTOTAL	9,565,655	1,872,472	19.57	19.83	18.97	12.39	7.61	7.04	5.27
SUBTOTAL	A	16,311,407	3,079,057	18.88	15.49	15.03	12.59	11.02	6.63	5.58
SUBTOTAL	B	22,193,430	3,940,605	17.76	19.50	16.82	N/A	12.84	7.74	6.79
SUBTOTAL	C	5,564,956	663,152	11.92	15.23	14.49	N/A	20.67	18.72	7.35
TOTAL	ALL	46,713,989	8,183,566	17.52	17.63	16.05	14.07	13.52	8.42	7.35

A chart depicting the space available in each of these sub-markets is included following.



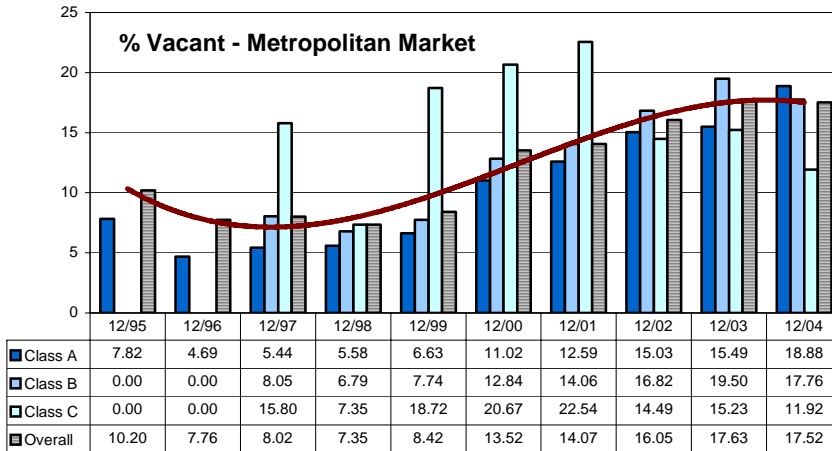
This table includes the total of available space in each of the sub-markets in the metropolitan area from the most recent available year-end data.

Cohen-Esrey reports total office space availability of 8,183,566 as of the year end 2004 reporting period.

Source: Cordry Appraisal Services, Inc. compiled Cohen-Esrey Real Estate Services

The Downtown and South Johnson County districts account for the largest available amounts of office space in the market but also represent the two largest markets. These two markets account for more than half of the available space in the market.

A chart depicting the historical occupancy levels in the metropolitan area by building class follows.



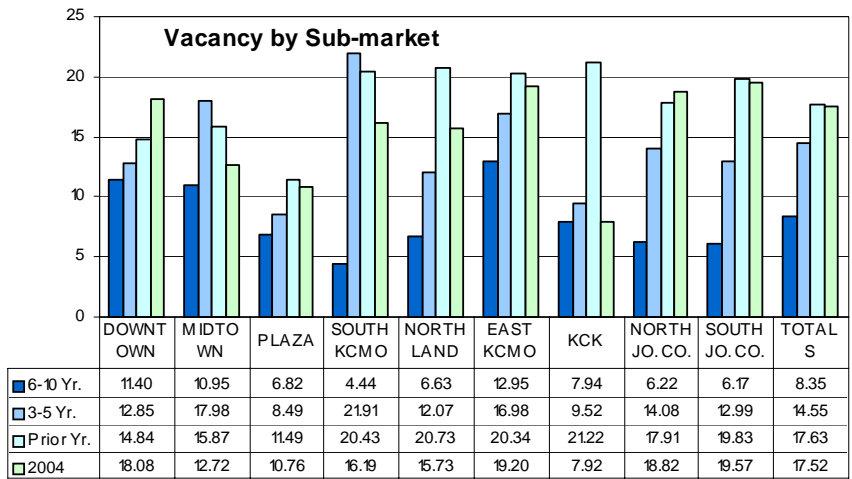
This table includes the metropolitan area's vacancy levels for each of the last ten years and for each major classification of office property in this market.

A trend line is included detailing the performance of this market segment as a whole.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services

Office vacancy levels have been increasing over the last few years, a trend that is primarily a reflection of the recent weakening of the economy. The hardest hit segment has been the Class A and B product, while the lower tier segments have been more stable. The economy is experiencing renewed strength, and, although there is substantial new construction in this market, the market is generating good demand and the outlook is for vacancy rates to decline over the course of the next year.

A chart depicting the historical occupancy levels in each of the primary sub-markets in the metropolitan area are as follows.



This table includes the office vacancy rate in each of the primary sub-markets for the current year, the prior year, an average of the preceding three years (from 3-5 years prior), and an average of the preceding five years (from 6-10 years prior).

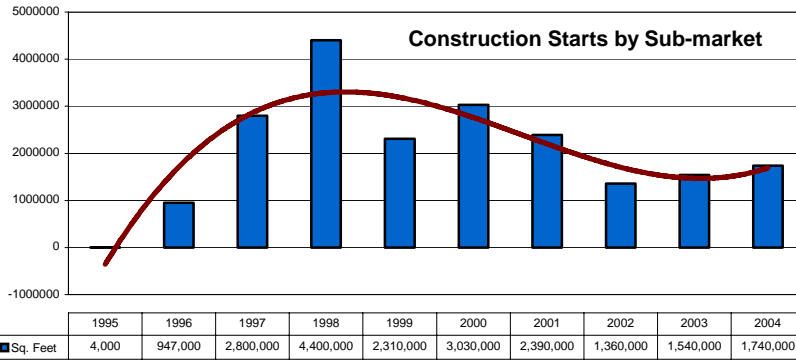
Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services

The table preceding indicates that the average vacancy rate for the three year period from 2000 to 2002 increased significantly from the average vacancy rate for the preceding five year period. This coincides with the weakening of the national economy and vacancy rates in the market have increased significantly since 2001. This is evidenced in all of the sub-markets in this category with vacancy rates having peaked in virtually every sub-market in 2002 or 2003. The market has begun to turn and most markets have indicated slightly improving figures over the last year.

The South Johnson County sub-market, traditionally one of the strongest sub-markets in the area, continues to experience relatively high vacancy rates for the year end 2004. This market continues to feel the effects of Sprint vacating its space to occupy their new campus. The outlook is improving and most brokers active in this market project renewed strength over the near term.

As noted preceding, construction starts in the area have had a significant impact on the office market, led by Sprint’s consolidation of space to their campus. As of April, 2003, Sprint owned or leased 6.8 million square feet of space in the Kansas City market. With nearly four million square feet in the campus, the remaining space was located in approximately 60 locations in the metropolitan area.

A chart depicting the historical construction starts in the metropolitan area is included following.



This table includes the total construction starts in the metropolitan area for each of the last ten years.

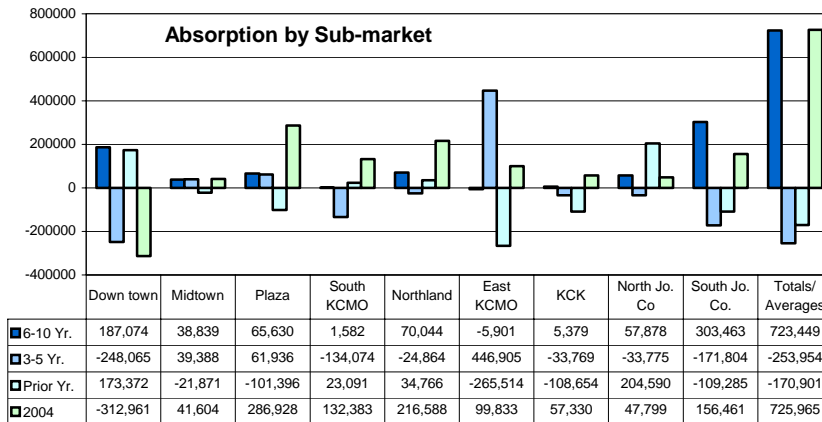
A trend line is included detailing the performance of this market segment as a whole.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services

The chart indicates that construction of offices last peaked in the late 1990's, following a period of depressed activity stemming from a weak market. The activity in 1997 represented the first time construction starts had exceeded 1.0 million square feet since 1989. In fact, between 1989 and 1996, 1992 was the only year construction starts exceeded 100,000 square feet.

The market had declined over the recent past before beginning to show some evidence of a rebound over the last couple of years. The recent activity still remains below the ten year average office construction start level of just over 2,000,000 square feet annually.

A chart summarizing the absorption in the metropolitan area is included following.

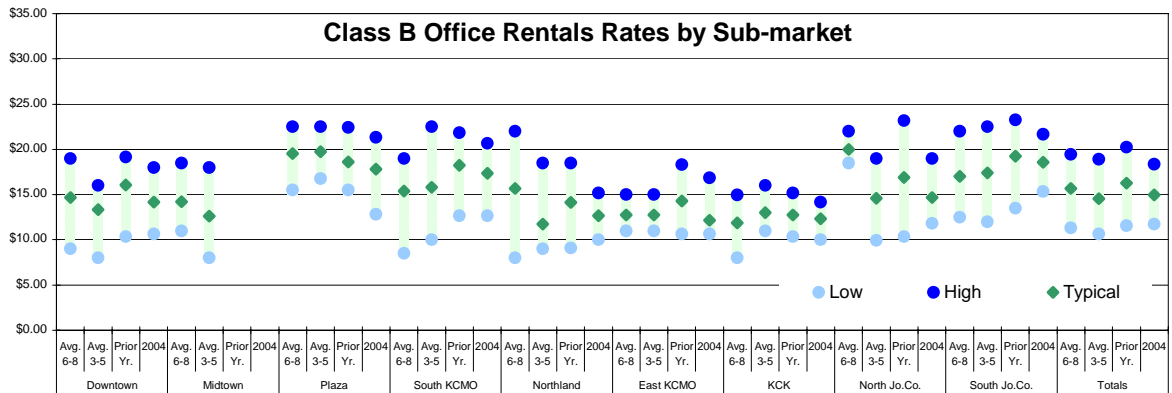
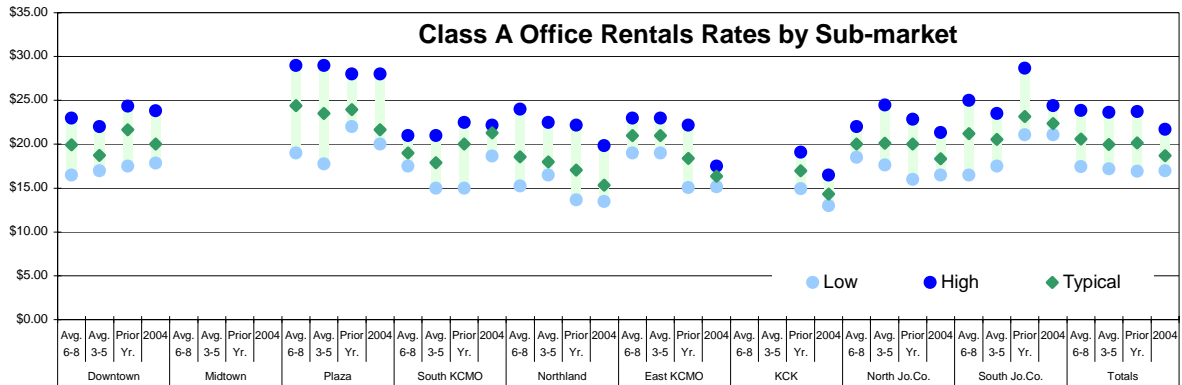


This table includes the absorption of office space in the metropolitan area for each the primary sub-markets for the current year, the prior year, an average of the preceding three years (from 3-5 years prior), and an average of the preceding five years (from 6-10 years prior).

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services

The chart indicates that absorption of office spaces last peaked in the late 1990's, following a period of depressed activity stemming from a weak market. The market had declined over the recent past before beginning to show some evidence of a rebound over the last year. The absorption in the market was positive in all of the sub-markets in 2004, with the exception of the downtown market, which exhibited good strength in the preceding year. It is noted that the less active and more mature markets have historically been the most stable, while the more active and growing markets have exhibited the greatest volatility. The average absorption in the metropolitan area over the last ten years was positive at just over 340,000 square feet annually.

Rental rates vary widely depending on the submarket and quality of building. Summary tables of Class A and Class B rental rates are included following.



Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services

Each table includes the low, high, and typical office lease rates for Class A and B space in the metropolitan area for each the primary sub-markets for the current year, the prior year, an average of the preceding three years (from 3-5 years prior), and an average of the preceding three years (from 6-8 years prior). The rentals are reflective of a full service lease basis.

In general rates have been soft, reflective of the overall market. It is noted that rental rates for similarly situated Class B buildings have traditionally fallen in the range of about 60 to 80 percent of those of Class A buildings.

Industrial Market

The Kansas City industrial market is comprised mostly of owner-users and properties owned by a few local developers/investors. The metropolitan industrial market has various segments that share like characteristics. The largest in terms of total square footage is the Jackson County, Missouri sub-market with more than 50-million square feet of industrial development.

During the later half of the 1990's the industrial market for the overall metropolitan area was strong and experiencing good annual growth. However, the close of the decade marked the beginning of a downturn, in conjunction with the national economy, for the metropolitan area industrial market. Beginning in 2000 the market began a trend of increasing vacancy rates over the years to follow.

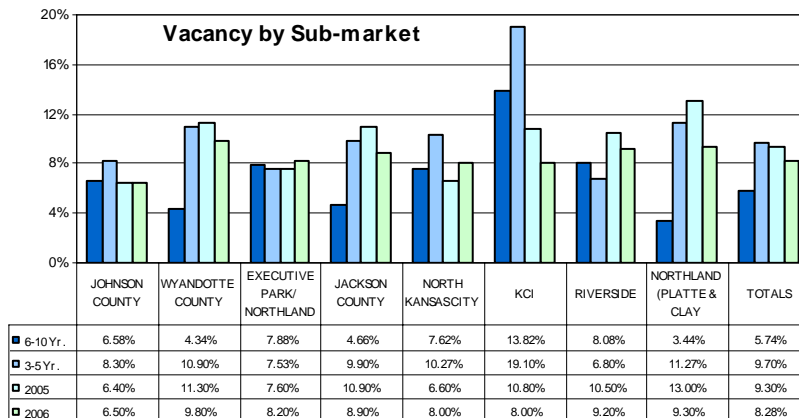
This downturn progressed through 2003, when vacancy reached a high of 10.5%. However, low interest rates and the availability of capital have continued to supply buyers to the market in the form of both speculative value-added investors, and income stream investors. Because of this, real estate values continued to hold and, in many cases, experience modest increases over this time period.

The industrial market began to experience and upturn in the second half of 2004, with a slight increase in occupancy. This upturn was the start of a recovery period for the industrial market, which has continued through the end of 2006.

A summary table of the industrial market vacancy rate by sub-market has been compiled from recent Colliers Turley Martin Tucker market surveys and is included following.

INDUSTRIAL MARKET OCCUPANCY						
AREA	RENTABLE SF		% VACANT			
	TOTAL SF	AVAIL.	Dec-06	Dec-05	Dec-04	Dec-03
JOHNSON COUNTY	45,649,000	2,967,185	6.5%	6.4%	7.2%	9.8%
WYANDOTTE COUNTY	25,373,000	2,486,554	9.8%	11.3%	11.7%	13.6%
EXECUTIVE PARK/ NORTHLAND PARK	14,325,000	1,174,650	8.2%	7.6%	5.8%	9.5%
JACKSON COUNTY	53,641,000	4,774,049	8.9%	10.9%	9.5%	10.4%
NORTH KANSAS CITY	15,230,000	1,218,400	8.0%	6.6%	8.7%	7.6%
KCI	3,529,000	282,320	8.0%	10.8%	20.2%	18.8%
RIVERSIDE	1,661,000	152,812	9.2%	10.5%	5.6%	5.1%
NORTHLAND (PLATTE & CLAY COUNTIES)	14,719,000	1,368,867	9.3%	13.0%	12.1%	10.9%
TOTAL	174,127,000	14,424,837	8.3%	9.3%	9.2%	10.5%

It should be noted that any all market survey information, including vacancy rate, absorption, and construction starts for the years prior to 2004 are from Cohen-Esrey. The Cohen-Esrey survey information has been included to provide a historical reference on these various market indicators. The submarkets used by Cohen-Esrey are generally the same as those used by Colliers Turley Martin Tucker and any differences are nominal. A chart depicting the historical occupancy levels in each of the primary sub-markets in the metropolitan area is as follows.



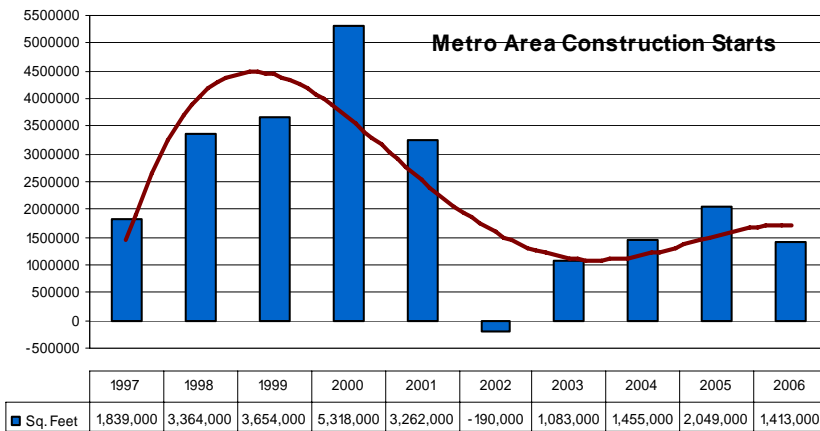
This table includes the industrial vacancy rate in each of the primary sub-markets for the current year, the prior year, an average of the preceding three years (from 3-5 years prior), and an average of the preceding five years (from 6-10 years prior).

Source: Cordry Appraisal Services, Inc. compiled from Colliers Turley Martin Tucker

The table preceding indicates that vacancy rates for industrial space peaked during the three year period averaged from the 2002, 2003, and 2004 survey years. Industrial vacancy rates began to decline in the end of the 2004 year. This decline in vacancy was sustained in 2005 and continued through the following year. The overall figures from 2006 indicated the largest gain in occupancy since the Kansas City industrial market hit the decade high vacancy rate of 10.5% in 2003.

The downturn in the industrial market was also evident in the construction activity of the period. The industrial market, both speculative and build-to-suit, became somewhat overbuilt in the late 1990's. Beginning in 2001, new construction declined each year due to the over saturated leasing market, producing the lowest figures during the three year period from 2002, through 2004. Similar to the vacancy rate, construction activity began to show renewed strength beginning in 2005.

A chart depicting the historical construction starts in the metropolitan area is included following.



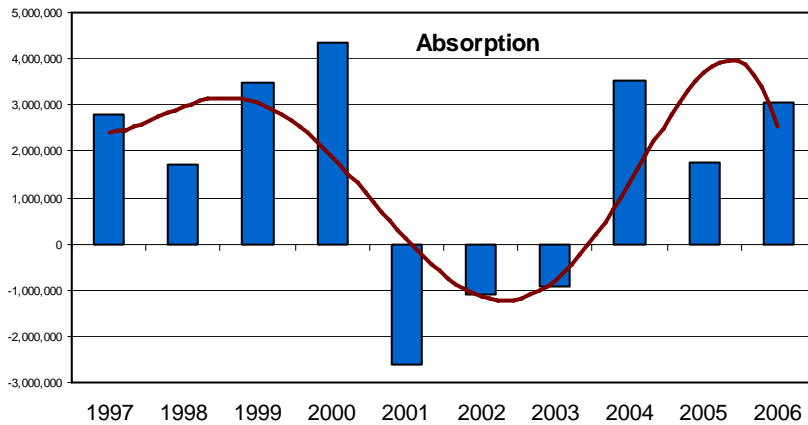
This table includes the total construction starts in the metropolitan area for each of the last ten years.

A trend line is included detailing the performance of the market as a whole.

Source: Cordry Appraisal Services, Inc. compiled from Colliers Turley Martin Tucker

The metropolitan area experienced a negative level of absorption from 2001 to 2003. As with the other indicators, the 2004 year was the beginning of a movement in the positive direction that has carried been maintained into the current year.

A chart depicting metropolitan area absorption levels over the last ten years is included following.



This table depicts metropolitan area absorption rates over the last ten years. Absorption levels are measured in square feet.

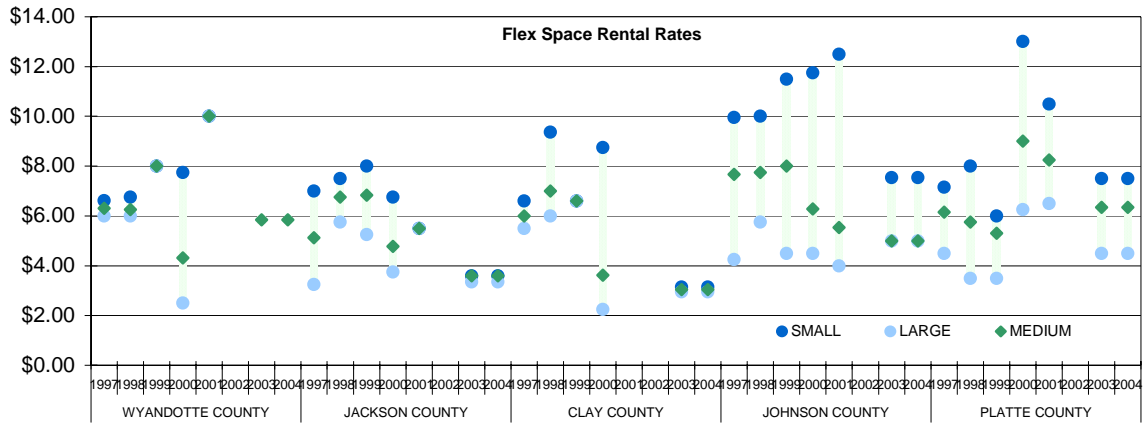
A trend line is included detailing the performance of the market as a whole

Source: Cordry Appraisal Services, Inc. compiled from Colliers Turley Martin Tucker

Rental rates vary widely depending on the submarket, type, and size of the space. The following table represents average triple net rental rates for industrial space within the five core counties that make up the metropolitan area. The rental rates are charted in dollars per square foot annually.

INDUSTRIAL MARKET RENTAL RATES		
SUBMARKET	YEAR	RENTAL RATE
Johnson County	2005	\$7.30
	(3Q) 2006	\$6.36
Jackson County	2005	\$4.03
	(3Q) 2006	\$3.75
Wyandotte County	2005	\$3.40
	(3Q) 2006	\$3.26
Clay County	2005	\$3.80
	(3Q) 2006	\$3.82
Platte County	2005	\$6.80
	(3Q) 2006	\$5.39
K.C. Metro Area	2005	\$4.27
	(3Q) 2006	\$4.32

The information in the above table was gathered from surveys performed by C.B. Richard Ellis. Earlier surveys of rental rates in the industrial market have been performed by Cohen-Esrey. It is noted that Cohen-Esrey identified three types of industrial space, office/warehouse, manufacturing, and flex space. Tables detailing the findings of their surveys are included following to provide a historical reference on area rental rates.



It is noted that the Cohen-Esrey surveys were of gross industrial rental rates. Cohen-Esrey has not published industrial data on the Kansas City market since a mid-year 2005 survey.

The Kansas City area industrial market experienced a decline beginning in 2000 following a period of expansion from the early 1990's. This expansion included significant new construction for both build-to-suit and speculative properties. The construction resulted in an oversupply on the market and an over saturated leasing market, resulting in steady to modestly increasing lease rates and increasing vacancy. However, the market has seen some stabilization in construction starts and vacancy levels in 2006, which indicates that the market is exhibiting renewed strength.

Retail market

The metropolitan area retail market has traditionally been relatively strong. As with other metropolitan areas, the retail market has various segments that share like characteristics.

A summary table of the retail vacancy by sub-market taken from the most recent surveys from the R.H. Johnson Company is detailed following.

RETAIL MARKET OCCUPANCY							
AREA	RENTABLE SF		% VACANT				
	TOTAL SF	AVAIL.	Jan-06	Jan-05	Jan-04	Jan-03	Jan-02
Blue Valley / South Leawood	4,348,540	120,729	2.78%	2.73%	6.19%	6.70%	7.75%
Olathe	2,865,640	167,825	5.86%	4.99%	6.30%	10.49%	9.15%
Lenexa / Shawnee	2,596,270	292,250	11.26%	7.03%	8.83%	14.38%	14.35%
Shawnee Mission	4,652,202	472,048	10.15%	5.92%	7.01%	8.62%	7.00%
Wyandotte County	2,248,835	78,586	3.49%	7.63%	7.19%	17.13%	16.30%
Platte County	2,019,584	179,434	8.88%	9.54%	6.38%	3.64%	1.25%
Northland	2,303,554	300,654	13.05%	11.48%	6.29%	13.84%	11.50%
Liberty	1,109,746	0	0.00%	0.23%	0.49%	0.92%	1.00%
City / Midtown / Brookside	1,986,286	228,100	11.48%	6.63%	6.40%	5.44%	3.30%
Independence / Raytown	4,694,377	620,931	13.23%	13.41%	9.17%	12.88%	14.75%
Lee's Summit	1,739,298	56,891	3.27%	1.51%	1.30%	1.09%	2.05%
Blue Springs	639,940	265,400	41.47%	19.90%	20.13%	7.18%	7.20%
Southland (MO)	4,623,003	903,095	19.53%	21.42%	15.87%	16.32%	10.05%
TOTAL	35,827,275	3,685,943	10.29%	9.05%	8.04%	10.18%	10.20%

* 2006 Kansas City Metropolitan Shopping Center Report, January 2006, and earlier, Published by the R.H. Johnson Company

* This survey includes anchored retail centers. It does not include freestanding buildings. Prior figures from prior surveys.

The strongest occupancy levels have traditionally been found in the Johnson County markets and the metropolitan area's Midtown area, as well as in Lee's Summit. The strongest market of late has been in Liberty where very limited space has been available. South Kansas City is generally older and has suffered of late, and vacancy levels have been relatively high in the Northland over the last couple of years, primarily as a result of substantial new construction in the area.

The Blue Springs submarket stands out because it has experienced a significant increase in retail vacancy over the last few years. This increase wasn't due to new development, but is a reflection of, primarily, issues with the intersection of Highway 40 and Highway 7. The catalysts for the increased vacancy were the closing of K-Mart in 2003, the decline of the 30 year old White Oak Plaza Shopping Center, the development issues with the Mall at Fall Creek, and the closing of the Wal-Mart in anticipation of the Super Wal-Mart being developed at Chapman Farms in 2008. All of these major closings and vacancies are along Highway 7 at, or near, this intersection. There appears to be redevelopment interest and much discussion but big box former Wal-Mart and K-mart stores, as well as shopping centers, can be difficult to fill in the short run.

The City is experiencing significant development interest with new development in eastern Blue Springs along Adams Dairy Parkway, and with the developing Chapman Farms development in southern Blue Springs. The success of the nearby Eastland Center also indicates continued strong interest in the area. Despite this interest, the high vacancy in the area near the Highway 40 and Highway 7 intersection will continue to reflect in poor occupancy for the area in the near future.

Earlier surveys of vacancies in the retail market have been performed by Cohen-Esrey. A table detailing the findings of their survey is included following to provide a historical reference on area vacancies.

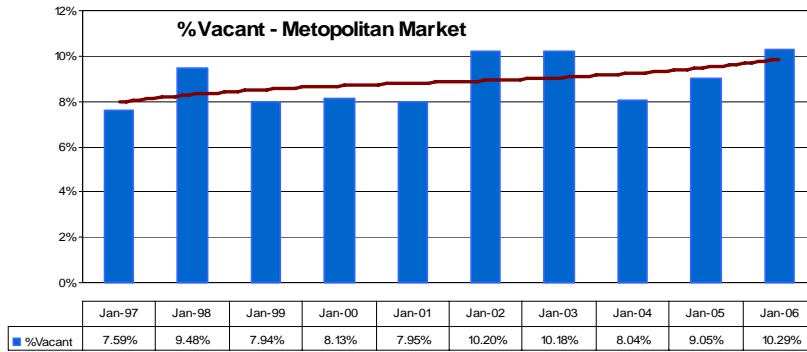
RETAIL VACANCY BY SUBMARKET								
AREA	MARKET SF	AVAIL.	% VACANT					
			DEC. '01	DEC. '00	DEC. '99	DEC. '98	DEC. '97	DEC. '96
Kansas City North	7,531,970	579,046	7.69%	7.22%	10.37%	9.24%	11.68%	6.92%
Central KCMO/Plaza	2,194,065	133,550	6.09%	5.88%	4.27%	9.70%	9.50%	11.83%
Wornall Road Corridor	2,060,086	227,230	11.03%	15.86%	11.27%	9.64%	9.96%	4.91%
East Kansas City, MO	4,066,580	931,980	22.92%	7.41%	8.20%	7.81%	7.77%	6.40%
Independence, Blue Springs, Lee's Summit	9,207,990	474,830	5.16%	5.95%	6.12%	11.69%	7.45%	8.04%
Grandview/Belton	1,465,500	306,395	20.91%	27.30%	22.65%	14.74%	14.58%	5.14%
Kansas City, KS	2,243,392	602,667	26.86%	26.50%	25.80%	30.41%	37.35%	22.86%
North Johnson County	4,524,002	344,120	7.61%	4.54%	3.60%	5.50%	4.88%	5.37%
Central Johnson County	8,156,409	442,104	5.42%	5.29%	5.07%	4.36%	4.54%	5.67%
South Johnson County	8,361,285	490,790	5.87%	6.05%	6.76%	7.78%	8.80%	6.98%
TOTAL RETAIL MARKET	49,811,279	4,532,712	9.10%	7.95%	8.13%	7.94%	9.48%	7.59%

* Cohen-Esrey December 2001

* This survey includes retail centers greater than 30,000 square feet. It does not include freestanding buildings.

It is noted that the Cohen-Esrey survey identifies different sub-markets than the more current R.H. Johnson surveys. Cohen-Esrey has not published retail data on the Kansas City market since the year end 2001 survey. Even so, the data presented suggest relatively good stability in the market for the time period covered, and identifies sub-market areas having strength and sub-market areas that exhibit weakness.

A table detailing the historic vacancy levels in the overall market is included following.



This table includes the total vacancy in the metropolitan area for each of the last ten years.

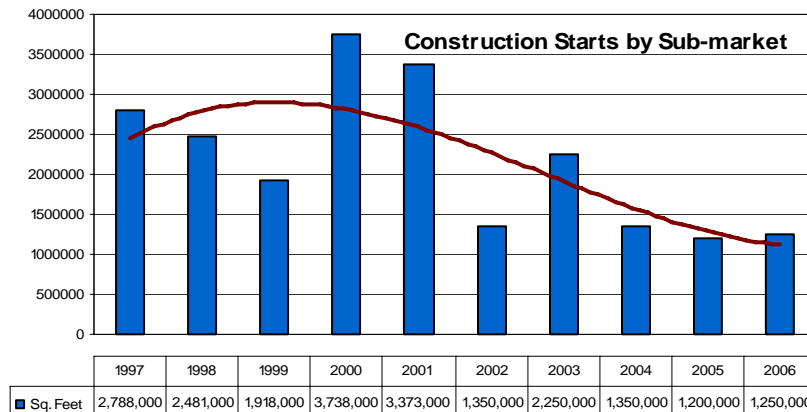
A trend line is included detailing the performance of this market segment as a whole.

Source: Through 2001, Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services; 2002 to Present, Cordry Appraisal Services, Inc. compiled from R.H. Johnson

The historical vacancy level for the market overall has ranged from about seven to ten percent. The current market has been recovering from a period of slightly elevated vacancy levels in this market.

Kansas City has one of the highest levels of retail space per capita in the nation. Although the retail market was overbuilt in the middle to late 1980's, the market has recovered and is exhibiting good growth. Construction starts have moderated over the last few years to healthy levels. While construction starts had been high through the middle 1990's, they have moderated over the last several years. Construction starts have averaged 2,169,800 square feet annually over the last ten years.

A table detailing the level of development activity in the market is included following.



This table includes the total construction starts in the metropolitan area for each of the last ten years.

A trend line is included detailing the performance of this market segment as a whole.

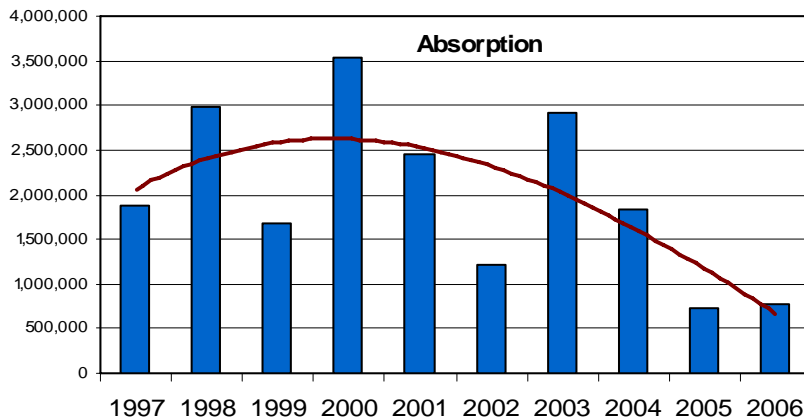
Source: Through 2001, Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services; 2002 to Present, Cordry Appraisal Services, Inc. compiled from R.H. Johnson

The most recognizable of the new developments include Barry Towne center located in the Northland of Kansas City, Missouri, and anchored by Kohl's, Target, and Circuit City; the Zona Rosa center located at I-29 and Barry Road in the Northland of Kansas City, Missouri, and anchored by Dick's Sporting Goods and Barnes and Noble; the Hartman Heritage and Eastland Town Center developments in Independence, Missouri, and anchored by Lowe's, Costco, CompUSA, and SteinMart; and the Kansas Speedway/Village West entertainment district in western Wyandotte County at I-70 and I-435. Major tenants in Village West include Cabela's, Nebraska Furniture Mart,

the Legend's shopping center, and the Great Wolf lodge. The largest project underway is the Kansas City Live entertainment complex in the downtown Central Business District.

Absorption has trailed construction starts slightly over that same time frame although there were spikes in absorption most recently in 1998, 2000, and 2003. The average annual absorption has lagged new construction starts slightly, with an annual absorption of 1,999,331 over the last ten years.

A table detailing the level of absorption in the market is included following.



This table includes the total absorption in the metropolitan area for each of the last ten years.

A trend line is included detailing the performance of this market segment as a whole.

Source: Through 2001, Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services; 2002 to Present, Cordry Appraisal Services, Inc. compiled from R.H. Johnson

Southern Johnson County continues to exhibit good strength and is an area of high demand for retailers as a result of its strong demographics. The 119th Street corridor is home to some of the most significant retailers and developments in the county and the 135th Street and 151st Street corridors are being met by strong demand as residential development continues to the south. Currently, Corbin Park, a one million square foot, open air regional mall is planned for the southeast corner of 135th and Metcalf. The current proposal includes one anchor department store and several specialty retailers and plaza areas with outside dining.

Other activity includes the Kansas City Live entertainment district in downtown Kansas City, Missouri, along with a new NHL and/or NBA arena, on an adjacent parcel. This development is a part of a synergistic force that is resulting in significantly increased demand and interest in the Central Business District. Bass Pro also is developing a 161,000 square foot store, along with a nature park, an 18 acre lake, and a lodge themed hotel near the Eastland and Hartman centers at the southwest corner of I-70 and I-470.

Sales activity has also been significant, with the Shoppes at Boardwalk, a lifestyle center anchored by Borders and Chipotle, selling at a record level. In addition, the Ward Parkway regional center, which has been redeveloped, also has sold recently.

Rental rates for retail space have generally improved over the last few years, while concessions have generally been limited. Triple net rentals can range from a low of \$4.00 per square foot for older and/or secondary buildings, to as much as \$20.00 to \$30.00 per square foot or more for prime and newer retail buildings. A summary of area average retail rental ranges by sub-market is included following.

AVERAGE LEASE RATES IN THE RETAIL MARKET						
MARKET SECTOR	CLASS	Jan-02	Jan-03	Jan-04	Jan-05	Jan-06
South Jackson County	Class A	\$16.75	\$14.45	\$15.40	\$16.45	\$16.52
	Class B	\$9.00	\$9.36	\$9.28	\$12.08	\$12.01
Midtown	Class A	\$16.15	\$16.89	\$17.21	\$18.39	\$18.65
	Class B	\$8.40	\$12.15	\$12.25	\$12.13	\$13.76
North of River	Class A	\$18.13	\$16.26	\$17.80	\$18.19	\$19.78
	Class B	\$8.65	\$9.84	\$12.03	\$14.57	\$14.65
Johnson County	Class A	\$18.95	\$18.47	\$18.65	\$20.42	\$20.97
	Class B	\$12.52	\$11.50	\$11.67	\$14.06	\$14.42
Independence / Raytown	Class A	\$18.86	\$17.25	\$17.46	\$18.09	\$19.16
	Class B	\$9.20	\$8.80	\$11.35	\$13.71	\$14.21
Overall Kansas City Market	Class A	\$17.20	\$16.48	\$16.89	\$18.31	\$19.02
	Class B	\$9.65	\$10.41	\$11.35	\$13.32	\$13.81

* 2005 Kansas City Metropolitan Shopping Center Report, January 2005, and earlier, published by R.H. Johnson Company

A table detailing the historic average rental rates in the market is included following.



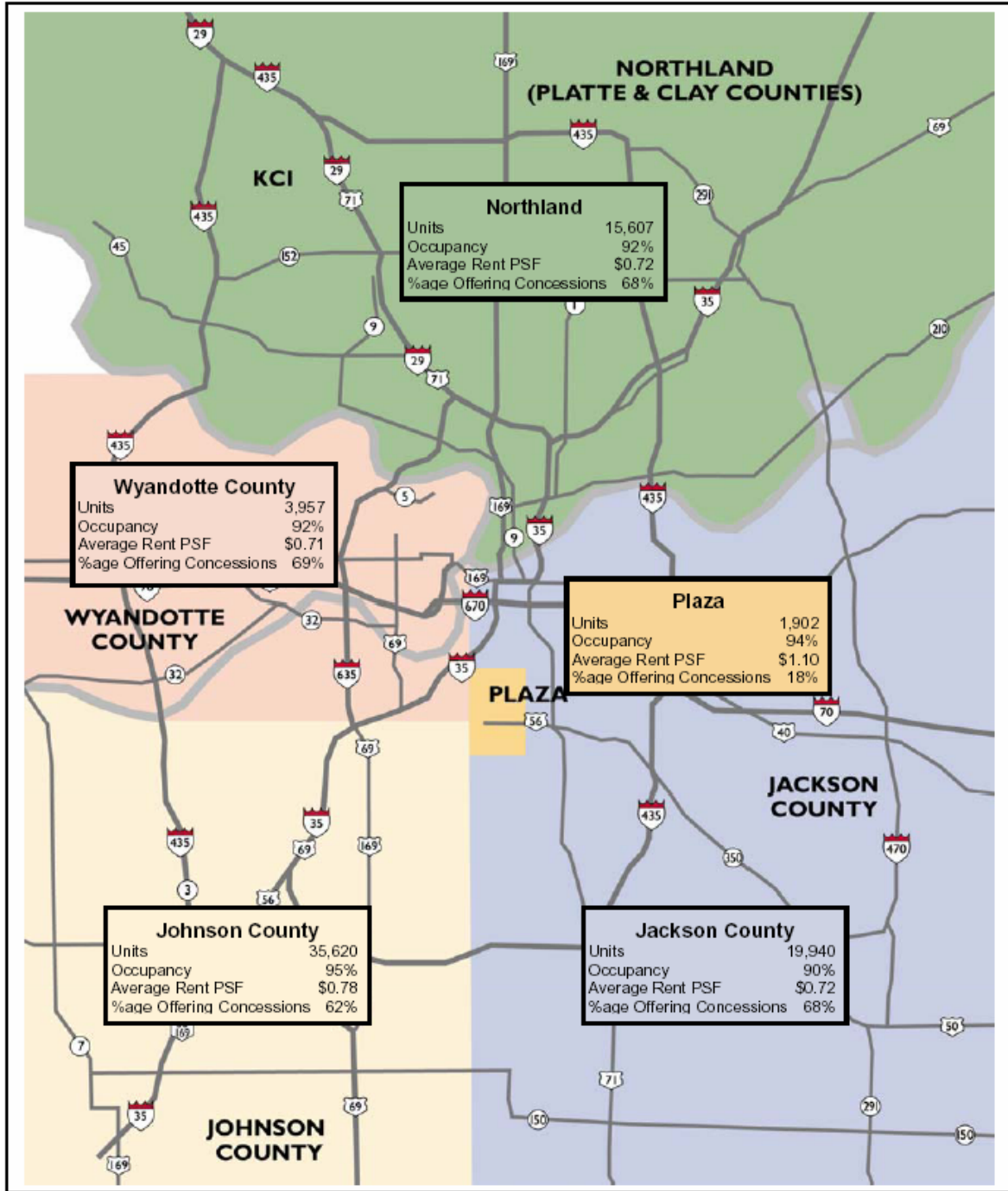
This table includes the average lease rates in the metropolitan area for both Class A and B product for each of the last five years.

Source: 2002 to Present, Cordry Appraisal Services, Inc. compiled from R.H. Johnson

The demand for new space has been primarily from specific users. There has been modest speculative development and the majority of new development has been confined to a few prime growth areas and infill locations.

Apartment market

In reviewing the Kansas City Metropolitan Area Apartment Market, we have relied primarily upon market surveys performed and compiled by *Colliers International*, a real estate service that performs market surveys in the area. We have also relied upon historical information from annual market surveys performed by *Cohen-Esrey Real Estate Services*. *Cohen-Esrey* stopped updating data on this market in mid-year 2005, so all subsequent data is from *Colliers*. A map of the submarket delineations used by *Colliers International* for the apartment market is shown following, with a synopsis of survey data shown for each submarket.



As a result of the extensive building within the metropolitan area in the late 1990's and early 2000's, the apartment market occupancy declined from a peak of physical occupancy of 95% as of December, 1998, to a low of 89% in December, 2003 (*Cohen-Esrey Real Estate Services Market Update December, 2004*).

The occupancy decline from 2000 to 2003, denoted in the *Cohen-Esrey* survey, is further supported by the occupancy survey performed by *Colliers International*. The *Colliers* survey indicates that

occupancy declined over the year-end 2000 to year end 2004 time period from 95% to 90%. Since that time, *Colliers* reports that occupancy has increased consistency to mid-year 2006 levels.

According to *Colliers*, the recent occupancy improvement has been led by the Johnson County and Wyandotte County submarkets, with the Plaza submarket actually showing a modest decline in occupancy, both over this time period and from the year-end 2005 to the mid-year 2006 surveys.

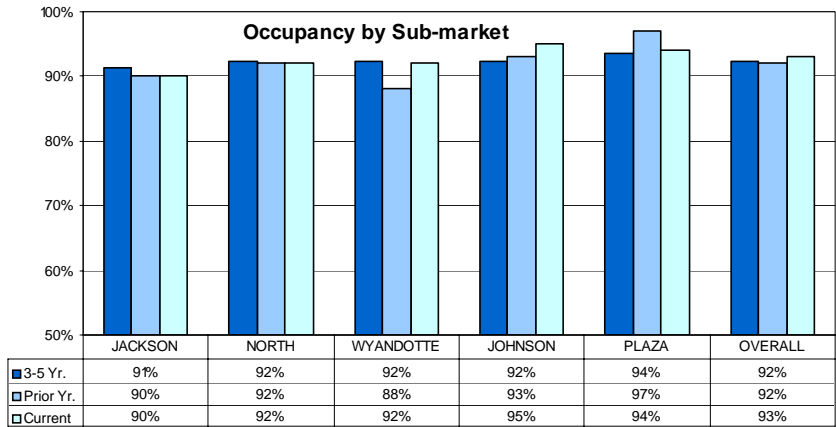
The following table details market occupancy according to *Colliers International* survey data.

Colliers International OCCUPANCY SURVEY - Mid Year 2006*											
AREA	BLDG.	OCCUPANCY %									
	CLASS	MID 2006	YE 2005	MID 2005	YE 2004	MID 2004	YE 2003	MID 2003	YE 2002	YE 2001	YE 2000
JACKSON	A	94%	89%	86%	93%	89%	89%	95%	93%	89%	91%
	B	93%	91%	92%	91%	93%	94%	95%	92%	94%	96%
	C	88%	89%	88%	87%	90%	87%	91%	92%	93%	96%
JACKSON TOTAL		90%	90%	89%	89%	91%	89%	93%	92%	93%	96%
NORTH	A	91%	95%	94%	94%	93%	92%	93%	91%	99%	93%
	B	94%	92%	93%	90%	91%	91%	91%	90%	95%	93%
	C	92%	90%	90%	89%	89%	92%	92%	92%	94%	96%
NORTH TOTAL		92%	92%	92%	90%	90%	92%	92%	91%	94%	95%
WYANDOTTE	B	91%	88%	86%	88%	88%	90%	95%	95%	89%	97%
	C	93%	88%	90%	89%	89%	91%	92%	93%	93%	97%
WYANDOTTE TOTAL		92%	88%	89%	89%	89%	91%	93%	94%	92%	97%
JOHNSON	A	96%	94%	93%	91%	92%	90%	93%	91%	93%	91%
	B	96%	94%	92%	91%	93%	91%	92%	91%	96%	95%
	C	93%	91%	93%	91%	93%	92%	93%	93%	93%	96%
JOHNSON TOTAL		95%	93%	93%	91%	93%	91%	93%	92%	94%	95%
PLAZA	A	91%	95%	98%	93%	94%	94%	98%	91%	92%	93%
	B	97%	99%	99%	100%	97%	94%	95%	95%	97%	97%
	C	95%	97%	96%	94%	96%	93%	95%	94%	94%	98%
PLAZA TOTAL		94%	97%	97%	94%	96%	93%	95%	94%	94%	97%
OVERALL		93%	92%	91%	90%	92%	91%	93%	92%	94%	95%

The most recent survey results for vacancies in the apartment market that were performed by *Cohen-Esrey* are included following to provide additional support for the trends in area apartment vacancies.

APARTMENT MARKET OCCUPANCY BY SECTOR											
	BLDG.	OCCUPANCY %									
AREA	CLASS	12/04 PHY	12/04 ECON	12/03 PHY	12/03 ECON	12/02 PHY	12/02 ECON	12/01 PHY	12/01 ECON	12/00 PHY	12/00 ECON
NORTH	A	92.19	89.69	85.29	78.25						
	B	91.65	90.45	87.41	86.50						
	C	93.38	91.08	90.02	89.02						
	SUBTOTAL	92.60	90.40	87.62	84.59	88.74	86.99	88.86	88.33	94.14	93.29
NORTHEAST	A	93.86	92.36	92.56	92.00						
	B	91.07	89.57	94.33	94.00						
	C	85.89	83.89	82.09	80.07						
	SUBTOTAL	89.71	88.60	88.87	92.83	89.48	88.68	89.06	89.06	92.95	92.95
SOUTHEAST	A	87.44	85.44	84.93	83.00						
	B	93.24	91.24	88.32	86.32						
	C	85.24	82.74	93.23	92.50						
	SUBTOTAL	87.44	86.47	91.13	87.27	95.46	90.30	93.53	93.27	94.74	94.74
SOUTH KANSAS CTY MISSOURI	A	N/A	N/A	N/A	N/A						
	B	93.33	91.83	92.47	91.00						
	C	90.54	89.04	91.13	90.75						
	SUBTOTAL	91.70	90.44	91.67	90.88	91.11	90.22	93.58	93.58	94.51	94.51
JOHNSON COUNTY	A	89.76	85.96	85.63	83.25						
	B	92.88	89.88	91.40	89.40						
	C	91.41	88.91	91.39	90.10						
	SUBTOTAL	91.50	88.25	89.74	87.58	89.40	87.20	88.69	87.13	93.77	92.42
OLATHE	A	93.98	91.98	84.97	81.50						
	B	88.27	86.27	89.12	88.00						
	C	91.98	90.18	85.59	83.59						
	SUBTOTAL	90.93	89.47	87.01	84.36	88.57	87.31	88.67	87.44	94.02	93.81
PLAZA/ MIDTOWN	A	92.31	91.31	87.03	86.00						
	B	94.79	93.79	92.82	91.25						
	C	92.92	90.92	91.12	90.12						
	SUBTOTAL	93.21	92.00	90.91	89.12	91.04	89.29	94.75	94.63	94.24	94.09
DOWNTOWN	A	86.12	82.12	83.28	81.28						
	B	92.79	89.29	90.20	88.20						
	C	83.61	80.61	88.16	86.16						
	SUBTOTAL	88.41	88.00	87.77	85.21	86.74	85.05	93.67	93.67	94.11	94.11
WYANDOTTE COUNTY	A	N/A	N/A	N/A	N/A						
	B	91.10	90.10	92.07	91.00						
	C	89.49	88.49	88.88	87.88						
	SUBTOTAL	90.07	89.80	89.92	89.44	90.18	89.24	94.03	94.03	95.94	95.94
TOTAL	ALL	90.61	88.82	89.40	87.92	89.91	88.18	91.50	89.34	93.78	93.23
SPREAD %			1.98%		1.66%		1.92%		2.36%		0.59%

The tables preceding indicate occupancy by building class. This data is available for Colliers data dating back to 2000, and for Cohen-Esrey data dating back to 2003. The historical occupancy rates experienced in each submarket are shown more clearly in the following chart.

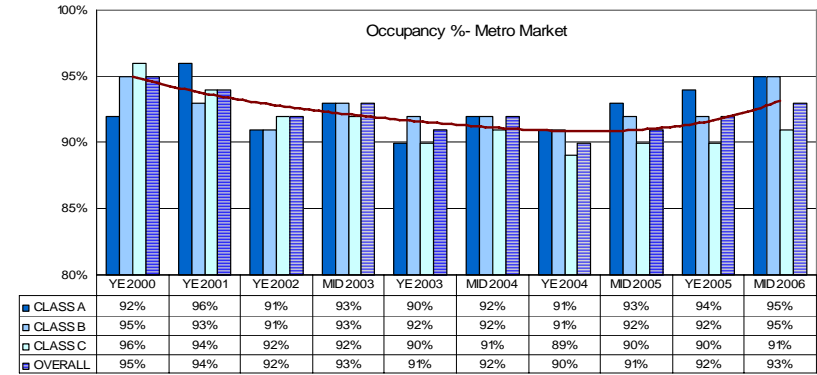


This chart includes the historical occupancy of multifamily units within the metropolitan area. The data is divided according to Sub Markets.

Source: Cordry Appraisal Services, Inc. compiled from Colliers, Turley, Martin International

This chart demonstrates that occupancies are improving throughout most of the metropolitan area to levels that are at, or slightly higher, than those seen three to five years ago. Only Jackson County has occupancy levels below those three to five years ago, and the occupancy in this submarket is very similar to those levels. The Johnson County submarket has seen the most improvement with occupancies beyond those seen three to five years ago.

We have also made of comparison of occupancy throughout the metropolitan area on a per property class basis. The following chart shows the occupancy rates for the metropolitan area for each of the quality classes.

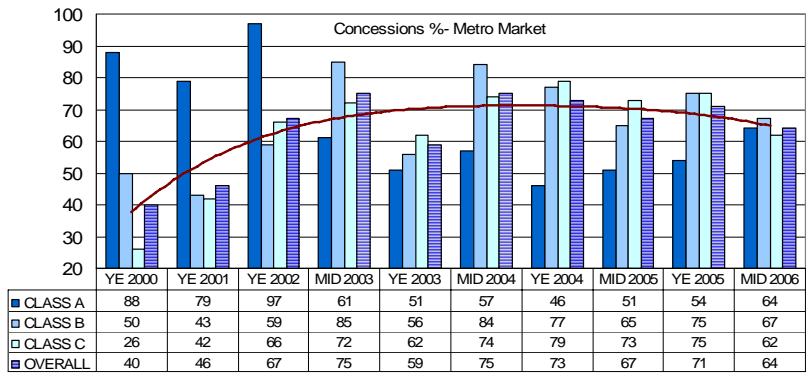


This chart includes the historical occupancy within the metropolitan area. The data is divided according to building class.

Source: Cordry Appraisal Services, Inc. compiled from Colliers, Turley, Martin International

On a per class basis, occupancy of Class C space has remained stable over the last few years, while occupancy of both Class A and Class B space has improved, particularly over the last year. The cumulative effect indicates continued incremental improvement in occupancy since 2004.

When the market is slowing, or has declined to lower levels, property owners and management firms typically offer concessions to improve occupancy without lower rental levels. Because of this, an increase in the percentage of units offering concessions indicates a softening of the market and, inversely, a decrease in the percentage of units offering concessions typically indicates the market if improving. The following chart reflects the percentage of units offering rental concessions by class, over the last several years.



This chart includes the percentage of multifamily complexes within the metropolitan area offering rental concessions. The data is divided according to building class.

Source: Cordry Appraisal Services, Inc. compiled from Colliers, Turley, Martin International

The concessions table shows that the percentage of complexes offering concessions spiked dramatically for Class A space in 2002, and then declined significantly. Class A space has actually shown an increase in concessions over the last 1-1/2 years. Meanwhile, concessions for both Class B and Class C space have declined since a peak in 2004. This has led to an overall decline in concessions offered since 2004. This trend was particularly evident in the first half of 2006.

The overall market appears to be in good shape. Class A has led improvement in occupancy, but has seen an increase in concessions, while the Class B market has actually led the way with improved occupancy and decreasing concessions. Class C property has seen occupancies stabilize, but with fewer concessions offered. This indicates a stabilized, to slowly improving overall market.

The following table details both single and multifamily building permits issued within the metropolitan area over the last several years.

SINGLE AND MULTIFAMILY BUILDING PERMITS ISSUED										
SUBMARKET	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
CASS COUNTY, MO										
SINGLE FAMILY	1,167	1,144	960	894	724	610	589	704	652	676
MULTI-FAMILY	51	50	80	69	433	389	218	168	116	56
TOTAL	1,218	1,194	1,040	963	1,157	999	807	872	768	732
CLAY COUNTY, MO										
SINGLE FAMILY	1,578	1,682	2,024	2,055	1,664	1,259	1,284	1,519	1,391	1,195
MULTI-FAMILY	824	468	632	530	611	252	125	430	591	475
TOTAL	2,402	2,150	2,656	2,585	2,275	1,511	1,409	1,949	1,982	1,670
CLINTON COUNTY, MO										
SINGLE FAMILY						168	165			
MULTI-FAMILY						18	6			
TOTAL						186	171			
JACKSON COUNTY, MO										
SINGLE FAMILY	2,085	2,191	2,438	2,451	2,494	2,021	1,947	2,417	2,053	2,276
MULTI-FAMILY	945	1,053	1,459	839	1,420	1,613	1,436	1,080	1,780	684
TOTAL	3,030	3,244	3,897	3,290	3,914	3,634	3,383	3,497	3,833	2,960
LAFAYETTE COUNTY, MO										
SINGLE FAMILY						94	108			
MULTI-FAMILY						0	0			
TOTAL						94	108			
PLATTE COUNTY, MO										
SINGLE FAMILY	849	781	702	587	653	519	554	671	556	516
MULTI-FAMILY	52	28	101	19	198	391	144	546	358	427
TOTAL	901	809	803	606	851	910	698	1,217	914	943
RAY COUNTY, MO										
SINGLE FAMILY						94	99	103	96	89
MULTI-FAMILY						0	0	0	0	0
TOTAL						94	99	103	96	89
JOHNSON COUNTY, KS										
SINGLE FAMILY	2,489	3,098	3,554	3,612	3,450	3,575	3,305	4,382	4,106	3,305
MULTI-FAMILY	1,416	1,210	760	1,607	586	2,107	2,171	2,658	1,376	2,170
TOTAL	3,905	4,308	4,314	5,219	4,036	5,682	5,476	7,040	5,482	5,475
LEAVENWORTH COUNTY, KS										
SINGLE FAMILY	484	582	504	416	476	321	352	410	373	345
MULTI-FAMILY	0	98	97	154	197	88	32	73	12	18
TOTAL	484	680	601	570	673	409	384	483	385	363
MIAMI COUNTY, KS										
SINGLE FAMILY	167	252	332	212	266	99	94			
MULTI-FAMILY	0	8	58	84	36	0	8			
TOTAL	167	260	390	296	302	99	102			
WYANDOTTE COUNTY, KS										
SINGLE FAMILY	540	593	570	515	348	240	193	182	179	171
MULTI-FAMILY	12	175	120	50	138	58	161	16	52	0
TOTAL	552	768	690	565	486	298	354	198	231	171
TOTAL METROPOLITAN AREA										
SINGLE FAMILY	9,359	10,323	11,084	10,742	10,075	9,000	8,690	10,388	9,406	8,573
MULTI-FAMILY	3,300	3,090	3,307	3,352	3,619	4,916	4,301	4,971	4,285	3,830
TOTAL	12,659	13,413	14,391	14,094	13,694	13,916	12,991	15,359	13,691	12,403

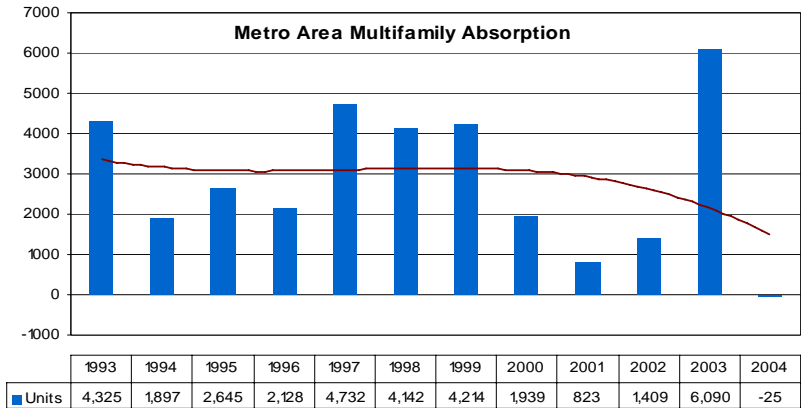
* Home Builders Assoc. of Greater KC Website; F.W. Dodge Local Construction Potentials

The multi-family market in Kansas City, as in many cities nationwide, surged dramatically in the mid to late 1980's with a peak of 10,531 building permits issued in 1986 alone. This resulted in overbuilding and combined with the changing real estate laws and the downturn in the market caused a significant reduction in building from 1989 through 1993. During that time frame the number of multi-family building permits ranged from a low of 608 in 1992 to a high of 1,163 in 1990. Multifamily construction regained its strength in the middle to late 1990's and continued to exhibit strength through 2001, with permits during this time period generally ranging from between approximately 3,900 and 4,900 permits issued annually. Permits for multifamily housing fell from 4,916 in 2001 to 3,619 in 2002. This decline continued to a low in 2005 with multifamily housing permits of 3,090, the lowest number of multifamily housing permits issued in the metropolitan area since 1996.

The decline in multifamily permits from 2001 to 2005 was indicative of both an overbuilt multifamily market as well as very low interest rates. These two factors resulted in an increase in single family residential housing permits as home ownership became more affordable. Single family permits, which had fallen from over 10,000 permits issued in 1999 to 8,690 permits in 2000, then increased to a peak of over 11,000 permits in 2004. As interest rates began to increase and the single family residential market began to experience a build up of inventory, single family housing permits began to decline in 2005, and declined further in 2006 to a level not seen since 2001.

In conjunction with this decline in single family residential building, the multifamily market has firmed up. As a result, multifamily building permits increased in 2006 to levels more consistent with 2003 and 2004.

Absorption of units is a good measure of demand in the market. Absorption reflects the total number of units leased at the end of the period in comparison to the total number of units that were leased at the beginning of the period. Multifamily absorption is not available for the market since 2004. The following table reflects historical Metropolitan Area Multifamily absorption, according to Cohen Esrey, over the period from 1993 to 2004.



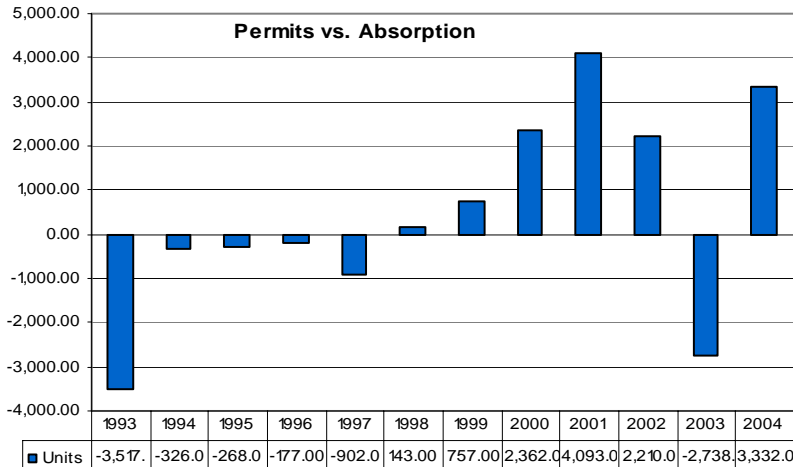
This chart includes the number of new units leased.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services.

The absorption rate was over 4,000 units per year in the late 1990's and declined to just over 800 units in 2001. The market began to recover in 2002 and rebounded very strong in 2003, with a ten year high of over 6,000 units absorbed in 2003. However, absorption fell drastically in 2004 to a negative 25 units.

In order to make a comparison between supply and demand, we have also made a comparison between building permits issued for multifamily unit construction, which indicates anticipated construction, versus actual absorption, which indicates the change in number of units being occupied in the market. The building permits are a leading indicator of anticipated supply and the absorption rate is a lagging indicator of demand, so the comparison does not create a perfectly congruent supply vs. demand comparison. Even so, this comparison is a good indicator of the forces at work within the market. Again, no absorption information is available since 2004 so this is presented as historical background for the market.

The following table shows this historical comparison between these factors.



This chart includes building permits issued for multifamily construction in comparison to absorption of multifamily units.

Absorption is a reflection of demand, and building permits are a reflection of anticipated supply increases.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services and the Homebuilders Association of Greater Kansas City.

The supply vs. demand comparison indicates a pent-up demand in the late 1990's when absorption exceeded the number of building permits issued. This relationship changed in the late 1990's and has continued to reflect increasing supply in the form of planned construction versus actual absorption. Only 2003 showed a significant increase in absorption, which outstripped planned demand by over 2,700 units. As a result of the pent-up activity in 2003 and the increased building plans in the preceding years, 2004 had negative absorption with a continued strong level of building permits. As of the year end 2004, market forces indicated in this comparison were reflective of a market that continued to struggle with increased development sentiment without a supporting increase in demand.

As a further measure of supply and demand, we have reviewed typical lease-up periods for new multifamily construction, as reported by the U.S. Department of Labor. This report indicates the percentage of new units leased within three month intervals from completion, extending out to twelve months after completion. Shorter time frames with higher lease-up percentages indicate a strong or improving market, while the inverse indicates a weak or declining market.

Table 1. Absorption Rates of Privately Financed, Nonsubsidized, Unfurnished Rental Apartments: 2000 to 2006

[Buildings with five units or more. Percents are computed using unrounded data]

Quarter of completion	Unfurnished apartments completed		Seasonally adjusted—rented within 3 months		Not seasonally adjusted—rented within—							
	Total	90-percent C.I.(±)* (number of apartments)	Percent	90-percent C.I.(±)* (percentage points)	3 months		6 months		9 months		12 months	
					Percent	90-percent C.I.(±)* (percentage points)	Percent	90-percent C.I.(±)* (percentage points)	Percent	90-percent C.I.(±)* (percentage points)	Percent	90-percent C.I.(±)* (percentage points)
2006												
April–June ^P	31,000	5,140	61	5.1	67	5.6	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
January–March	22,000	3,350	62	4.7	60	4.5	81	3.1	(NA)	(NA)	(NA)	(NA)
2005												
October–December	25,800	4,490	63	4.8	58	4.4	80	3.3	90	2.4	(NA)	(NA)
July–September	30,500	5,340	63	5.7	64	5.8	82	2.8	91	1.7	96	0.9
April–June	30,800	4,900	65	3.6	71	3.9	88	2.0	93	1.2	97	0.7
January–March	26,100	3,350	61	3.8	59	3.7	84	2.9	93	1.9	96	1.2
2004												
October–December	32,500	5,390	63	6.8	58	6.2	79	4.3	90	2.5	95	1.3
July–September	44,700	9,250	64	4.0	67	4.2	83	3.6	91	3.7	94	2.8
April–June	42,500	6,740	59	5.0	62	5.2	81	4.3	87	3.6	92	2.9
January–March	34,000	3,800	61	4.7	60	4.7	82	3.6	91	3.0	94	2.7
2003												
October–December	38,800	6,360	63	4.3	58	3.9	78	4.1	88	3.6	92	3.8
July–September	42,500	6,060	56	4.3	59	4.5	74	4.6	84	4.2	91	3.6
April–June	47,600	5,820	61	4.3	65	4.6	85	2.5	91	2.0	96	1.0
January–March	37,600	4,620	62	4.9	60	5.1	79	3.9	87	3.8	94	2.3
2002												
October–December	47,700	6,930	57	4.4	52	4.1	74	4.6	88	3.0	94	1.8
July–September	61,700	5,990	56	4.1	59	4.3	77	2.8	88	2.0	93	1.8
April–June	56,800	6,860	62	4.1	65	4.3	83	3.3	89	2.8	93	2.5
January–March	37,900	4,560	55	4.4	58	4.6	78	4.1	86	3.3	91	2.8
2001												
October–December	47,300	8,440	58	5.1	55	4.9	76	3.5	87	2.8	92	2.0
July–September	56,500	6,530	65	4.6	68	4.8	82	3.0	91	1.8	96	1.0
April–June	46,100	5,920	65	3.8	67	3.9	84	2.8	92	1.8	97	0.8
January–March	43,000	4,010	65	4.8	63	4.8	85	2.6	93	1.8	96	1.2
2000												
October–December	54,100	4,800	67	3.8	64	3.6	82	2.5	93	1.2	97	(Z)
July–September	65,700	6,040	73	3.1	76	3.3	87	2.5	94	1.3	97	0.8
April–June	56,700	5,860	73	4.4	75	4.6	90	1.6	95	1.3	97	(Z)
January–March	49,700	5,680	73	3.3	71	3.1	89	2.0	95	1.3	98	0.8

* A 90-percent confidence interval is a measure of an estimate's variability. The larger the confidence interval in relation to the size of the estimate, the less reliable the estimate.

NA Not available. ^P Preliminary. [†] Revised. Z Fewer than 50 units or less than one-half of 1 percent.

Source: U.S. Census Bureau, *Survey of Market Absorption*.

This table reflects continued strong levels of building in 2001 and 2002 nationally, while lease-up periods extended during this same time frame, and into 2003. The market then stabilized with fewer new units coming on line from 2002 through the first half of 2006. Along with the fewer number of units being constructed, the lease up periods have improved to levels similar to those in 2001. This is, again, reflective of a market that is firming.

The following table details the current average rental rates by unit type, class, and location.

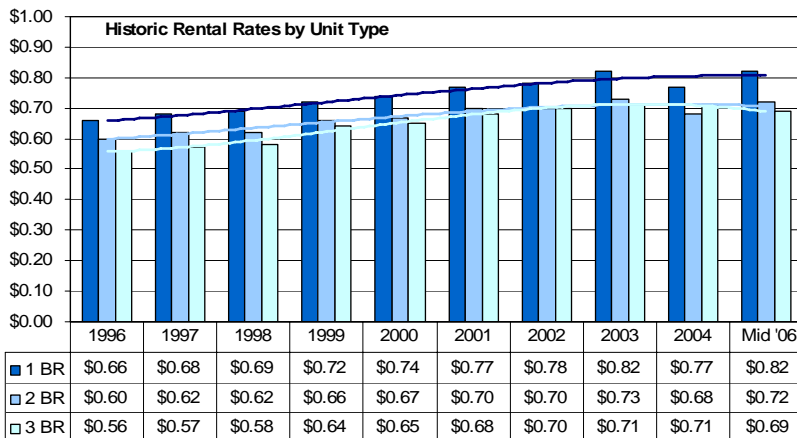
Colliers International RENTAL SURVEY - Mid Year 2006*

AREA	BLDG.		RENTS PER SF									
	CLASS	STUDIO	1 BR	1 BR TH	ALL 1 BR	2 BR	2 BR TH	ALL 2 BR	3 BR	3 BR TH	ALL 3 BR	
JACKSON	A	NA	\$ 0.89	NA	\$ 0.89	\$ 0.78	NA	\$ 0.78	\$ 0.76	NA	\$ 0.76	
	B	\$ 1.13	\$ 0.83	NA	\$ 0.83	\$ 0.73	\$ 0.69	\$ 0.72	\$ 0.72	\$ 0.61	\$ 0.64	
	C	\$ 0.88	\$ 0.70	\$ 0.71	\$ 0.70	\$ 0.63	\$ 0.57	\$ 0.63	\$ 0.58	\$ 0.55	\$ 0.57	
JACKSON TOTAL			\$ 0.92	\$ 0.77	\$ 0.71	\$ 0.77	\$ 0.68	\$ 0.65	\$ 0.68	\$ 0.64	\$ 0.60	\$ 0.62
NORTH	A	NA	\$ 0.96	NA	\$ 0.96	\$ 0.83	NA	\$ 0.83	\$ 0.83	\$ 0.77	\$ 0.82	
	B	\$ 0.84	\$ 0.79	\$ 0.80	\$ 0.79	\$ 0.73	\$ 0.67	\$ 0.73	\$ 0.89	NA	\$ 0.89	
	C	\$ 0.80	\$ 0.67	NA	\$ 0.67	\$ 0.61	\$ 0.57	\$ 0.61	\$ 0.57	\$ 0.47	\$ 0.53	
NORTH TOTAL			\$ 0.81	\$ 0.77	\$ 0.80	\$ 0.77	\$ 0.69	\$ 0.61	\$ 0.68	\$ 0.73	\$ 0.54	\$ 0.68
WYANDOTTTE	B	NA	\$ 0.85	NA	\$ 0.85	\$ 0.73	NA	\$ 0.73	\$ 0.70	NA	\$ 0.70	
	C	\$ 0.87	\$ 0.71	NA	\$ 0.71	\$ 0.65	\$ 0.62	\$ 0.65	\$ 0.60	NA	\$ 0.60	
WYANDOTTE TOTAL			\$ 0.87	\$ 0.76	NA	\$ 0.76	\$ 0.68	\$ 0.62	\$ 0.68	\$ 0.63	NA	\$ 0.63
JOHNSON	A	NA	\$ 0.92	NA	\$ 0.92	\$ 0.81	\$ 0.73	\$ 0.81	\$ 0.82	\$ 0.80	\$ 0.81	
	B	\$ 0.99	\$ 0.88	\$ 0.60	\$ 0.86	\$ 0.76	\$ 0.67	\$ 0.75	\$ 0.72	\$ 0.67	\$ 0.70	
	C	\$ 0.87	\$ 0.75	NA	\$ 0.75	\$ 0.66	\$ 0.60	\$ 0.65	\$ 0.65	\$ 0.53	\$ 0.61	
JOHNSON TOTAL			\$ 0.89	\$ 0.87	\$ 0.60	\$ 0.86	\$ 0.76	\$ 0.64	\$ 0.74	\$ 0.74	\$ 0.68	\$ 0.72
PLAZA	A	NA	\$ 1.21	NA	\$ 1.21	\$ 1.13	NA	\$ 1.13	\$ 1.25	NA	\$ 1.25	
	B	\$ 1.18	\$ 1.23	NA	\$ 1.23	\$ 1.30	NA	\$ 1.30	NA	NA	NA	
	C	\$ 1.16	\$ 1.01	NA	\$ 1.01	\$ 0.89	NA	\$ 0.89	\$ 0.88	NA	\$ 0.88	
PLAZA TOTAL			\$ 1.16	\$ 1.12	NA	\$ 1.12	\$ 1.05	NA	\$ 1.05	\$ 1.15	NA	\$ 1.15
OVERALL			\$ 0.90	\$ 0.83	\$ 0.63	\$ 0.82	\$ 0.72	\$ 0.64	\$ 0.72	\$ 0.72	\$ 0.63	\$ 0.69

Historical rents by submarket and unit type, prior to 2005, was available through Cohen-Esrey. The following table describes the historical rents for the submarkets used by Cohen-Esrey.

HISTORIC RENTAL RATE TRENDS									
SUBMARKET	1996	1997	1998	1999	2000	2001	2002	2003	2004
ONE BEDROOM UNITS									
NORTH	\$0.58	\$0.65	\$0.65	\$0.65	\$0.68	\$0.71	\$0.70	\$0.77	\$0.67
NORTHEAST	\$0.61	\$0.63	\$0.66	\$0.66	\$0.66	\$0.67	\$0.70	\$0.75	\$0.69
SOUTHEAST	\$0.56	\$0.56	\$0.56	\$0.62	\$0.64	\$0.69	\$0.67	\$0.79	\$0.72
SOUTH	\$0.69	\$0.69	\$0.69	\$0.67	\$0.70	\$0.71	\$0.72	\$0.74	\$0.73
JOHNSON CO.	\$0.70	\$0.69	\$0.72	\$0.79	\$0.82	\$0.84	\$0.83	\$0.85	\$0.83
OLATHE	\$0.68	\$0.71	\$0.71	\$0.77	\$0.79	\$0.82	\$0.84	\$0.84	\$0.80
PLAZA/MIDTOWN	\$0.78	\$0.84	\$0.84	\$0.87	\$0.93	\$0.90	\$0.88	\$0.99	\$0.93
DOWNTOWN	\$0.75	\$0.77	\$0.80	\$0.86	\$0.83	\$0.96	\$0.95	\$0.94	\$0.85
WYANDOTTE CO.	\$0.56	\$0.59	\$0.59	\$0.63	\$0.66	\$0.76	\$0.73	\$0.73	\$0.72
AVERAGE	\$0.66	\$0.68	\$0.69	\$0.72	\$0.74	\$0.77	\$0.78	\$0.82	\$0.77
TWO BEDROOM UNITS									
NORTH	\$0.52	\$0.54	\$0.57	\$0.59	\$0.60	\$0.63	\$0.62	\$0.69	\$0.60
NORTHEAST	\$0.57	\$0.60	\$0.61	\$0.59	\$0.60	\$0.62	\$0.64	\$0.65	\$0.61
SOUTHEAST	\$0.51	\$0.51	\$0.51	\$0.57	\$0.58	\$0.62	\$0.61	\$0.70	\$0.64
SOUTH	\$0.63	\$0.58	\$0.58	\$0.60	\$0.63	\$0.62	\$0.63	\$0.66	\$0.62
JOHNSON CO.	\$0.63	\$0.62	\$0.64	\$0.72	\$0.75	\$0.75	\$0.75	\$0.74	\$0.72
OLATHE	\$0.57	\$0.59	\$0.59	\$0.67	\$0.69	\$0.71	\$0.73	\$0.71	\$0.64
PLAZA/MIDTOWN	\$0.72	\$0.79	\$0.80	\$0.86	\$0.91	\$0.86	\$0.83	\$0.93	\$0.80
DOWNTOWN	\$0.75	\$0.77	\$0.77	\$0.78	\$0.85	\$0.90	\$0.85	\$0.84	\$0.87
WYANDOTTE CO.	\$0.50	\$0.54	\$0.54	\$0.58	\$0.56	\$0.62	\$0.63	\$0.65	\$0.63
AVERAGE	\$0.60	\$0.62	\$0.62	\$0.66	\$0.67	\$0.70	\$0.70	\$0.73	\$0.68
THREE BEDROOM UNITS									
NORTH	\$0.48	\$0.50	\$0.54	\$0.53	\$0.55	\$0.61	\$0.59	\$0.62	\$0.60
NORTHEAST	\$0.49	\$0.52	\$0.51	\$0.56	\$0.55	\$0.53	\$0.57	\$0.59	\$0.67
SOUTHEAST	\$0.52	\$0.51	\$0.51	\$0.53	\$0.55	\$0.57	\$0.57	\$0.64	\$0.57
SOUTH	\$0.64	\$0.54	\$0.55	\$0.53	\$0.60	\$0.60	\$0.59	\$0.65	\$0.63
JOHNSON CO.	\$0.58	\$0.56	\$0.59	\$0.69	\$0.73	\$0.71	\$0.74	\$0.73	\$0.68
OLATHE	\$0.48	\$0.50	\$0.50	\$0.64	\$0.64	\$0.66	\$0.71	\$0.65	\$0.58
PLAZA/MIDTOWN	\$0.71	\$0.74	\$0.77	\$0.87	\$1.01	\$1.00	\$0.97	\$1.18	\$1.09
DOWNTOWN	\$0.69	\$0.72	\$0.72	\$0.84	\$0.70	\$0.99	\$0.87	\$0.78	\$0.64
WYANDOTTE CO.	\$0.47	\$0.51	\$0.52	\$0.56	\$0.56	\$0.60	\$0.64	\$0.58	\$0.61
AVERAGE	\$0.56	\$0.57	\$0.58	\$0.64	\$0.65	\$0.68	\$0.70	\$0.71	\$0.71

Submarket comparisons between the Cohen Esrey data prior to 2005, and the Colliers 2006 data are not possible because of the different submarket classifications. We have made a comparison between historical rents on a per unit basis for the overall metropolitan area. This comparison is reflected in the following chart.



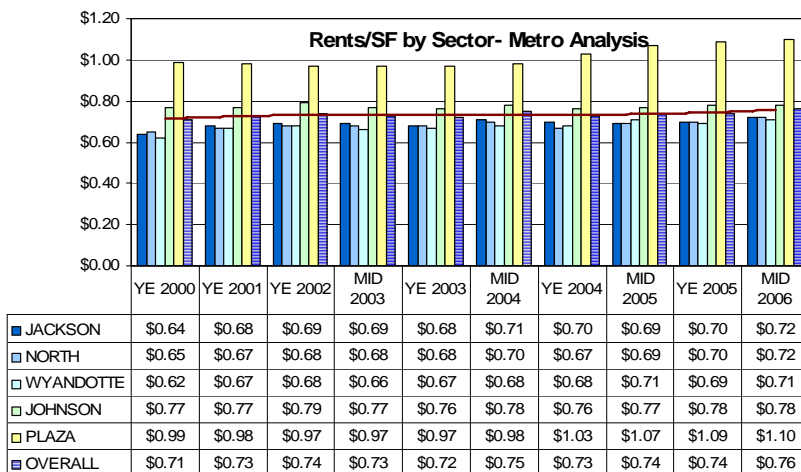
This chart includes average historical rental rates per unit type for the Kansas City Metropolitan Area.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services.

Rents within the metropolitan area by unit type for 2004 declined for one and two bedroom units, and were flat for three bedroom units. This created an anomaly whereby three bedroom unit rents were temporarily slightly higher than two bedroom unit rents, on a per square foot basis. This was likely due to construction of new units within the one and two bedroom unit markets, without a corresponding increase in the construction of three bedroom units.

Rental rates for each unit type have increased since the bottom in 2004 to levels consistent with the 2003 spike in rates.

The following chart shows the average historical metropolitan area apartment rents by sector.



This chart includes average historical rental rates for the individual sectors, as well as the metropolitan area as a whole.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services.

This chart indicates that the market has been improving overall, with increasing rates shown in each sector of the market showing increasing rates.

In reviewing rents, we have also reviewed a separate study that details rents on a per square foot basis by building class. This information is useful for making comparisons between differing quality levels. The following chart describes the results of this study.



This chart includes average rental rates for the metropolitan area as a whole. The rents are subdivided according to class of construction.

Source: Cordry Appraisal Services, Inc. compiled from Cohen-Esrey Real Estate Services.

The comparison of rents by building class reflects relatively stable across all building classes, with the general rental level consistent with the mid-year 2004 levels.

The most recent reporting period indicates a multifamily market that is now improving. Occupancy has increased, along with fewer units offering concessions, and increasing rental rates. These characteristics are the result of declining construction permits, along with increasing interest rates, which serve to raise the barrier to home ownership, and contribute to multifamily rental as a more viable more option.

Over the near term, the market should continue to improve slightly, with a general leveling off likely to be seen within the next one to two years. Rental rates and occupancies should remain solid, barring extensive new building.

Lending rates for multifamily properties have continued, nationally, to remain relatively low despite tightening of the credit policy by the Federal Reserve. The Federal Reserve has raised short term lending rates consistently over the last couple of years, raising the Federal Funds Rate from 1.0% in early 2004 to 4.5% in 2006, to the current level of 5.25% (Source: Bankrate.com).

Residential loan rates typically correspond with interest rates seen in the long term bond market, because they are both long term investment vehicles. Multifamily loans are most typically quoted by national lenders as either fixed rate loans, or as floating rates with a predetermined spread beyond a basis, most typical of which is the 30 day LIBOR (London Interbank Offered Rate).

The loan rate varies depending upon the loan term, the location, condition and quality of the project, and the creditworthiness and managing history of the borrower.

SCHOOLS

The Kansas City School District is a progressive school system that historically had an AAA rating. However, as a result of a desegregation case filed in the 1970's, the district was restructured under a 1985 ruling and 15 new "magnet" schools were constructed. The district was to spare no expense in creating these schools and significant measures were taken including extravagant educational expenditures to entice suburban children into "desegregating" the district. As a result, the state

poured nearly \$2 billion into building the most lavish school infrastructure in the nation. The district spent more per pupil than any other urban district in America and lowered the student-teacher ratio under 13 to 1, the lowest in the nation. Included in the 15 new schools built in the district were a 25-acre wildlife sanctuary, a model United Nations with simultaneous translation facilities, an Olympic sized swimming pool, and a robotics lab. At the height of spending, 44 percent of Missouri's total budget for elementary and secondary schools was going to St. Louis and Kansas City, even though the two cities enroll only 9 percent of the state's students. Despite the massive expenditures, the district test scores continued to be substandard and the district failed in the Spring of 2000 to meet any of eleven performance standards established by the State. As a result, in an unprecedented move in American education, state accreditation was removed from all schools in the Kansas City, Missouri school district in May, 2000.* The district was given two years to earn accreditation. The district was able to meet those requirements and accreditation was reinstated.

The history of the school system has contributed to some of the decrease in Kansas City's population. Other districts in the Greater Kansas City area enjoy a good reputation and test scores at or above the national average. Johnson County is divided between six districts. Three of those districts, Shawnee Mission, Olathe, and Blue Valley have reputations of being progressive school systems with good facilities and very high national rankings.

* Source: *Christian Science Monitor*, April 28, 2000.

TRANSPORTATION

As noted previously, Kansas City is centrally located in the United States. Kansas City is one of only five metropolitan areas served by three interstate highways. Interstates 29 and 35 run North/South, and Interstate 70 carries travelers in an East/West direction. Interstate 435 circles the entire metropolitan area. Additionally, Kansas City is served by a network of secondary highways, including U.S. Highways 169, 40, and 50, and a number of State highways.

Air traffic is served by Kansas City International Airport (KCI), which was opened in 1972. There are three terminals, containing more than one million square feet, designed to accommodate increasing quantities of airfreight. KCI typically handles between 17 and 25 million pounds of airfreight, and between 600,000 to one million passengers per month. A new runway was added to the facility in 1994, and the terminals are currently undergoing a major renovation.

In addition to the international airport, the Kansas City area contains approximately 65 other airfields of which seven have the capability of handling most twin-engine corporate airlines. The Downtown Kansas City, Missouri, airport provides quick access to downtown and typically handles between 8,000 to 15,000 flights per month.

Kansas City also handles substantial rail traffic and is the second largest rail center in the nation. One reason for this is the City's centrality of location. Eleven on-line railroads currently serve the area on a daily basis. Limited passenger service is available. The rail industry employs about 8,000 people in the Kansas City area.

CONCLUSION

Kansas City benefits from having a diverse economy and by being within 250 miles of the geographic and population centers of the United States. The population base is relatively stable, and income and employment levels are slightly above the national average. The primary counties in the SMSA based on population are Jackson County in Missouri and Johnson County in Kansas. The cities of Kansas

City, Missouri, and Kansas City, Kansas have experienced stable or slightly declining populations in recent years as individuals and families have chosen to relocate away from the congestion of Downtown and the problems associated with the school systems and into the suburbs. During this same time the population of Wyandotte and Jackson County has increased at a slight but steady pace. This stagnant posture of the inner city areas of Kansas City has meant very significant growth for the suburban areas of Johnson County, which has established itself as a primary influence on both the employment and economic growth of the entire metropolitan area.

In spite of the historical trends in Kansas City, Kansas, and in the Kansas City, Missouri, there is significant new investment taking place in these areas. The most prominent development includes the Kansas Speedway and entertainment district in Western Wyandotte County, and the KC Live/H&R Block/Sprint Arena office and entertainment district in downtown Kansas City, Missouri. There has also been an increase of loft construction and renovation work within the urban core. These developments are spurring additional emphasis and interest in these areas and which should slow or even eliminate the population shift.

The metropolitan area experienced a construction boom in the mid-1980's that resulted in an overbuilt market. Activity stabilized and then there was another period of significant new growth across the market from 1993 until approximately 2000. The significant level of construction throughout most of 1990's created a modestly overbuilt market locally and the real estate market began to level. This slowdown corresponded with a national recession that began in 2000 and lasted until late 2002. The national market began to recover in 2003 and recovery has continued in a sporadic fashion in 2004. The local market has followed the national market with some signs of recovery, but limited speculation is occurring in the market. It is our opinion that the metropolitan area will be generally stable with only modest expansion over the next few years.

AREA ANALYSIS – WYANDOTTE COUNTY, KANSAS

OVERVIEW

The subject property is located in Kansas City, Wyandotte County, Kansas. Cities in Wyandotte County include Kansas City, Edwardsville, and Bonner Springs. In 1996, Wyandotte County formed a unified government with both the County and City governments of Kansas City being combined. This has resulted in the County being a major influencing factor in area developments.

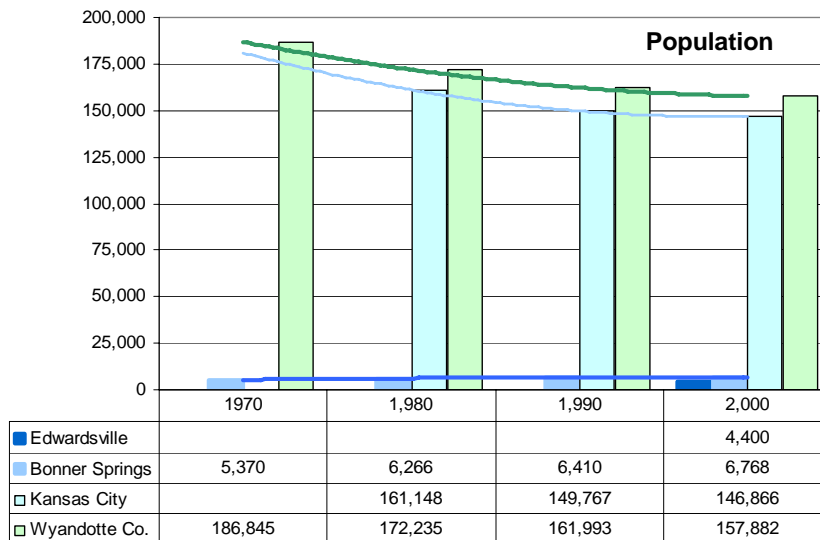
Wyandotte County, Kansas, is centrally located in the continental United States, approximately 250 miles from both the geographic and population centers of the United States. It is located in the northeast quadrant of the State of Kansas at the junction of the Kansas and Missouri Rivers and comprises the western section of the Kansas City Metropolitan Area. Wyandotte County is an integral part of the Kansas City Metropolitan Area.

TRANSPORTATION

Transportation facilities are vital to a growing economy. The Kansas City Metropolitan Area has an excellent highway network, including Interstate Highways 35, 70, 435, 635, 470 and 29. In addition, there are eight federal highways and 49 state highways. Twelve railroad lines provide rail service. The Kansas City International Airport is located approximately 15 miles north of Wyandotte County. Serving the immediate area is a general aviation airport known as the Downtown Airport, approximately 12 minutes from Kansas City, Kansas, in Kansas City, Missouri. Smaller aircraft and company planes are the most prevalent users of this airport.

POPULATION AND TRENDS

A table detailing the population of the city is included following.



This table includes the population figures for each City and County for each Census since 1970, where available.

The population totals for the City and County for each Census are shown below the respective bars in the grid.

Source: Cordry Appraisal Services, Inc. compiled from Bureau of Census

The City of Kansas City has suffered from significant population declines for more than three decades, while the other smaller communities in Wyandotte County have grown. The Census numbers reflect a marked population shift from the east to the west. The latest estimates indicate that the population has been stable over the last several years.

Household size, correspondingly, has also suffered a decrease in this time frame. In 1970, the average household size was 3.07 persons, decreasing to 1980 levels of 2.69 persons, thus, indicating a decrease of 12.5%. The current household size is 2.62 persons.

ECONOMY/WORK FORCE

Average household income in Wyandotte County has increased during the last decade by 42.1%, or 4.2% per year from \$23,780 in 1990 to \$33,784 in 2000. Household income distribution in the Kansas City, Kansas metropolitan area has historically been heavily weighted in the middle to lower income categories. In 1979, approximately 63% of the households earned less than \$20,000 annually. In 1990, this percentage fell to approximately 43% of total households; a reflection of the increasing average household income referenced preceding. In the year 2000, the per capita income in Kansas City, Kansas, was \$15,737, while the per capita income in Bonner Springs and Edwardsville was \$19,730 and \$18,887, respectively.

Wyandotte County and Kansas City, Kansas, are highly industrialized due primarily to their proximity to both the Kansas and Missouri Rivers and the interstate highway system. In addition, Kansas City has one of the larger rail centers in the nation, with service to a myriad of locations.

There are three primary industrial areas in Kansas City. These include the Fairfax Industrial District, north of the downtown Kansas City, Kansas Central Business District; the Turner Industrial District, located southeast of the Central Business District; and the Santa Fe Industrial District, located southwest of the Central Business District. In addition, there are primary industrial areas in both Edwardsville and Bonner Springs.

Major employers in the County employing over 500 persons include the following.

EMPLOYERS OF OVER 1,000	EMPLOYERS OF 500 TO 1,000
Bethany Medical Center	Associated Wholesale Grocers
General Motors	Board of Public Utilities
Unified Government	Certain-Teed Products Corp.
Providence - St. Margaret Health Center	Colgate-Palmolive Co.
Santa Fe Railroad	Owens Corning Fiberglass Corp.
United School District #500	Sunshine Biscuits, Inc.
University of Kansas Medical Center	JA Tobin Construction Co.
	Union Pacific Railroad
	United Parcel Service

Although retail sales in the past few years have not increased significantly, there are a sufficient number of shopping centers, including the 1,000,000 square foot Indian Springs Shopping Mall.

GOVERNMENT

Another significant action affecting Wyandotte County, as a whole, is the unification of the Wyandotte County and Kansas City, Kansas governments. This unification resulted from a bill passed in 1996. While the unification was successful in creating a more efficient government, it also had the effect of uniting two bodies that had traditionally not been united.

The new unified government, The Unified Government of Wyandotte County/Kansas City, Kansas, is now providing a coordinated economic development approach, which helped facilitate the selection by ISC to construct their speedway in Wyandotte County. By decreasing property taxes projected over the near term, government is expected to be a catalyst for growth in the foreseeable future.

SCHOOLS

The Kansas City, Kansas, Board of Education operates an accredited system but has experienced some negative publicity in recent years and market activity shows that the Piper school district in the recently annexed area of the northwest portion of Kansas City is preferred, while the Bonner Springs/Edwardsville school district is also well received. The public school system is augmented by an adequately rated group of private elementary and high schools. The Community Junior College, with a 150-acre campus, opened in 1972. The private Donnelly College and the University of Kansas Medical Center are both respected schools located in the County.

REAL ESTATE ACTIVITY AND TRENDS

A significant draw to the City has been the Woodlands Greyhound Racing facility that was constructed in about 1990. In addition to dog racing, horse racing was also held through 1997. The Woodlands declared Chapter 11 bankruptcy due to intense competition for gamblers by the riverboat casinos in the metropolitan area that were developed after the Woodlands. More recently, a new state law was passed that would allow at least 800 slot machines to be installed at the track. The Woodlands will now be expanded to accommodate a new slot gaming floor.

Speedway and Village West Development

The International Speedway Corporation opened their Kansas Speedway in 2001. It is a 1.5-mile, \$197 million race track. The track is located on approximately 1,200 acres north of Interstate 70 and west of Interstate 435 in Kansas City, Kansas. The Kansas Speedway has hosted NASCAR, Busch, and Indy Racing League races. The track seats 75,000 currently, but is designed for expansion to 150,000, possibly within five years. The track generates a significant economic impact for the area, as fans typically drive as much as 400 miles or more to attend a race and stay in town three to four days.

The Kansas Speedway generates significant tourism for the area and generated substantial demand for retail development on the surrounding parcels, including a 400 acre tourism district known as Village West. This, in turn, is generating additional development. Major tenants located in Village West include the 188,000 square foot Cabela's, an outdoor sports retailer (opened August 2002); the 720,000 square foot Nebraska Furniture Mart (opened September 2003); and Community America Ballpark, the home of the Kansas City T-bones minor league baseball team. This stadium seats 5,678 and typically serves approximately 45 home games.

The Great Wolf lodge (opened June 2003) is a 281 suite \$51.5 million resort hotel with a 38,000 square foot indoor water park. Other hotels include the 62 room Chateau Avalon, a limited service luxury theme hotel designed to appeal to couples celebrating special events, such as weddings, anniversaries, and romantic getaways; the Hampton Inn, a 76 room limited service hotel, and the Holiday Inn Express, a 96 room limited service hotel.

The Legends at Village West, a 750,000 square foot retail shopping and entertainment district (opened in May, 2006), is a \$246 million property developed by RED Development, a successful developer of upscale shopping centers. This center is adjacent to the Village West development and will ultimately be built out with 750,000 square feet of retail space, including about 100,000 square feet in retail out parcels. Tenants in the development will include new concepts by the founders of the Hard Rock Café and Rainforest Café restaurants. The Legends Theatre is a part of this development and includes an upscale 14 screen movie theater. A Target store was also recently completed in the Village West development.

Overall, the Village West development is anticipated to provide 4,000 jobs and will generate \$25 million in sales tax revenue annually, drawing an estimated 9,000,000 visitors.

Spin-off Development

The Speedway and Village West entertainment district has spawned significant spin-off development. Two new retail centers are currently underway along the north side of Parallel at 110th Street.

There are also plans under discussion for The Plaza at The Speedway, an 865,000 square foot, \$144+ million retail development. The development will be located on 92 acres, just north of Village West along the north side of Parallel Parkway from 109th Street/Hutton Road to 104th Street. As currently planned, this development will be anchored by a Wal-Mart Supercenter and is intended to provide everyday amenities such as a grocery within the Wal-Mart, a home improvement store, and a warehouse club. The development is planned to resemble the Village West development in appearance. The developers are seeking creation of a tax increment financing (TIF) district to assist in the development of the project. The TIF district that would provide \$28.4 million in tax increment financing and \$13 million in transportation development district bonds. At this time, the proposal is under discussion with government officials.

Schlitterbahn Vacation Village

One of the most significant of the planned developments in the area is the Schlitterbahn Vacation Village. The resort village is planned for development along the east side of I-435, between State Avenue and Parallel Parkway. This is a \$412 million family destination resort complex that is described as consisting of multiple entertainment venues connected by a Transportainment River System. The project will include over 300 full service hotel rooms, the Schlitterbahn Waterpark with one of the world's largest tubing parks containing miles of interconnected rivers and signature attractions, a large interactive marine park, and the mile long River Walk. The River Walk will be a covered shopping, dining, and entertainment center along a planned waterway. The Schlitterbahn project is currently planned to commence construction in mid 2007, with completion planned for late 2009.

Casino Activity

Two Indian tribes have been pursuing casinos in the area of 118th Street and State Avenue. The Sac, Fox, and Kickapoo tribes have purchased roughly 80 acres at the northeast corner of this intersection.

Their most recent plan calls for a \$225 million development with a 250 room hotel, several restaurants and pubs, a 750 seat bingo hall, a convention facility, indoor parking, and a health spa. Its proposed 148,000 square foot casino floor would be slightly larger than that of the competing Ameristar Casino. The Delaware tribe's plan involves 78 acres located at the southwest corner of this same intersection. This plan has been in limbo as a result of the tribe's questionable home state status.

The state has enacted a new law that was signed in April, 2007, allowing for one State owned casino in Wyandotte County. Five gaming companies have submitted a total of six proposals for new casinos in Kansas City, Kansas, to the Unified Government. One additional proposal has been received for a casino in Bonner Springs and Edwardsville, which have specified a later date for submission of proposals. Additional proposals in either or both of these municipalities may be received.

The Kansas Lottery Commission will be the owner and will have final say in the selection process, and has mandated a minimum \$225 million investment for any development. The proposals submitted include:

Pinnacle Entertainment

NEC I-435 and Donahoo Road or SEC of I-435 and Parallel, adjacent to Schlitterbahn
\$300 million minimum with 100,000 sf casino, 500 room hotel, a 100,000 sf convention center, a 50,000 live event venue, and retail and dining establishments.

Las Vegas Sands

NWC I-435 and Leavenworth Road
\$500 million with 100,000 sf casino, 5,000 slots and 200 table games, 300 room hotel, a multipurpose showroom with seating for 1,200, and an outdoor amphitheater and man made lake with fountain features.

Legends Sun Casinos (Olympia Gaming and RED Development)

NEC I-435 and Donahoo Road or SEC of I-435 and Parallel, adjacent to Schlitterbahn
Undisclosed cost – casino with 3,500 slots, 90 gaming tables, a poker room and keno parlor, a 1,000 room hotel, a 35,500 sf convention center, a 1,200 sear entertainment venue, and 200,000 sf of retail plus residential units and a Robert Trent Jones designed 18 hole golf course.

KS&F Development (Kickapoo Sac & Fox)

NEC 118th and State Avenue
Undisclosed cost – this group proposed an earlier \$225 million development detailed preceding.

Kansas Entertainment LLC (Kansas Speedway and Cordish Company)

Southeast corner of Kansas Speedway Racetrack
\$600 million casino with 3,000 slots, 100 table games, 500 room hotel (w/room to expand to 1,200 hotel rooms and condo units), and 300,000 sf of retail, entertainment and dining spaces.

Golden Gaming Inc.

200 acres at Southwest corner of Interstate 70 and 110th Street (Edwardsville & Bonner Springs)
\$600 million with a 132,000 sf casino with 2,500 slots, 95 table games, 300 room hotel and spa, convention and meeting space, retail shops, entertainment, residential elements, and a golf course.

Butler National Corp.

140 acres at Southwest quadrant of Interstate 70 and Interstate 435 (Edwardsville) – Undefined Plan

The deadline for submission of casino proposals within the County has passed. The County will make recommendations on the proposals in November, 2007.

Edwardsville Development Activity

Edwardsville has benefited little to date from the increased development surrounding the Kansas Speedway, although there is a significant development under consideration (in addition to the casino proposals) at the time of this report.

The “Riverview Development District” was proposed in June, 2003, for the area running along the south side of Interstate 70 and west of Interstate 435, and located predominantly north of Riverview Avenue. This district is also planned to extend southward along the east side of 110th Street. The district was originally proposed by Cormac Company, a major shopping center developer out of Omaha, Nebraska. As envisioned, the district will contain approximately 650 acres and will be developed at an approximate cost of \$491 million. The proposal calls for the property to include an 8,000 seat sports arena, an indoor track, an Olympic-size swimming pool facility, several hotels, a shopping district, offices, and a resort and 18 hole golf course surrounded by upscale homes and town houses.

Development in this district would be financed largely with Sales Tax Accelerated Revenue (STAR) bonds. These bonds require approval of the State and permit financing of construction projects costing more than \$50 million, with sales tax revenues over the initial period of construction and operation. The STAR bonds operate under a new law passed in 2002. The application for the Riverview Development District was reportedly the first application submitted under this law. The Cormac Company, was dismissed as the developer by City officials in November, 2003, for non-responsiveness, among other concerns. At present, Kansas Lt. Governor John Moore has reportedly sent a letter to Edwardsville Mayor Stephanie Eickhoff indicating that this project is an “eligible area” under the new law. At this time, the City continues to pursue STAR bonds and to find a qualified development partner.

In the years following the 2003 proposal of the Riverview Development District many properties in the area have been put under contract at one time or another. Many of these contracts include holding periods and/or options and many are contingent upon factors such as contractual endorsements of zoning changes and infrastructure improvements by the city, approval of development plans, or a successful assemblage effort. The Riverview District is the City’s bid to take advantage of the and build on the synergy of the development surrounding the Kansas Speedway. The City of Edwardsville future plan supporting a large mixed-use commercial development of the Riverview District area is coupled with attractive financing incentives like STAR bonds. This combination of financial and bureaucratic support by the City of Edwardsville, along with the precedent set by the large scale, high dollar developments surrounding the Speedway to the north, is powering the highly speculative nature of the current Riverview Development District market. The current aura of high asking prices and contracts laden with contingencies and options that has germinated under the heavy speculation of this market has produced an end result of numerous expired options and a general increase in the volatility of the immediate market.

CONCLUSION

Although Wyandotte County has historically had less than stellar growth in relation to Kansas City Metropolitan Area, Wyandotte County has remained a stable community. Recent growth has taken place and the area is now anticipated to see significant growth over the next few years in the western sectors of the city. The north/south transportation routes of I-635, I-435 and K-7 and the long

established east/west route of I-70 each contribute to the accessibility of the western area of the County, and have a positive impact. The unification of the City and County governments and the new commercial developments, especially The Kansas Speedway, the Village West development, the planned Schlitterbahn Resort, and their surrounding developments, are expected to provide a great benefit to the area.

METROPOLITAN AREA MAP



NEIGHBORHOOD ANALYSIS

OVERVIEW

The subject neighborhood would generally be defined as western Wyandotte County. The subject neighborhood involves parts of Kansas City, Bonner Springs, and Edwardsville, Kansas. The subject neighborhood boundaries are identified as follows.

DIRECTION	BOUNDARY
NORTH	Leavenworth Road
SOUTH	Kansas River
EAST	Interstate 435
WEST	Wyandotte County Line (142 nd Street)

TRANSPORTATION

Interstate 70 is a major east/west route that runs along the perimeter of the business district of Kansas City, Kansas, and directly through the Kansas City, Missouri Central Business District. Because of Interstate 70, the neighborhood has good access to the central city. Interstate 435, the perimeter route serving metropolitan Kansas City, runs along the east edge of the neighborhood in a north/south direction and provides excellent access to points north and south. Interstate 70 intersects Interstate 435, at the neighborhood's eastern boundary.

Primary north/south streets in the neighborhood (from east to west) include 110th Street, 118th Street, 126th Street, and 142nd Street. Kansas Highway 7 runs through the heart of the neighborhood. Primary east/west streets (from south to north) include Kaw Drive (32 Highway), State Avenue, Parallel Parkway, and Leavenworth Road. Other significant streets east/west streets include Kansas Avenue and Riverview Avenue.

REAL ESTATE ACTIVITY AND TRENDS

The area was originally built out with limited commercial development situated along the primary traffic corridors serving the area and at major intersections. The I-70 corridor has been a significant factor in area developments due to its accessibility to the metropolitan area's central core. Most of the commercial uses in the neighborhood have been the result of access to I-70.

Residential development in the area has continued its growth, as the westerly expansion of the city continues. New development has been taking place at a relatively rapid pace over the last several years, although there is significant undeveloped and agricultural land throughout the area.

Again, the major impetus to development over the last few years has been as a result of the growth and success of the Speedway and tourism and entertainment district within the eastern reaches of the neighborhood at Interstate 435 and Interstate 70. This development is detailed in depth in the preceding section of this report. The resultant increased traffic and residential growth in the neighborhood has fueled additional demand in the western parts of the neighborhood.

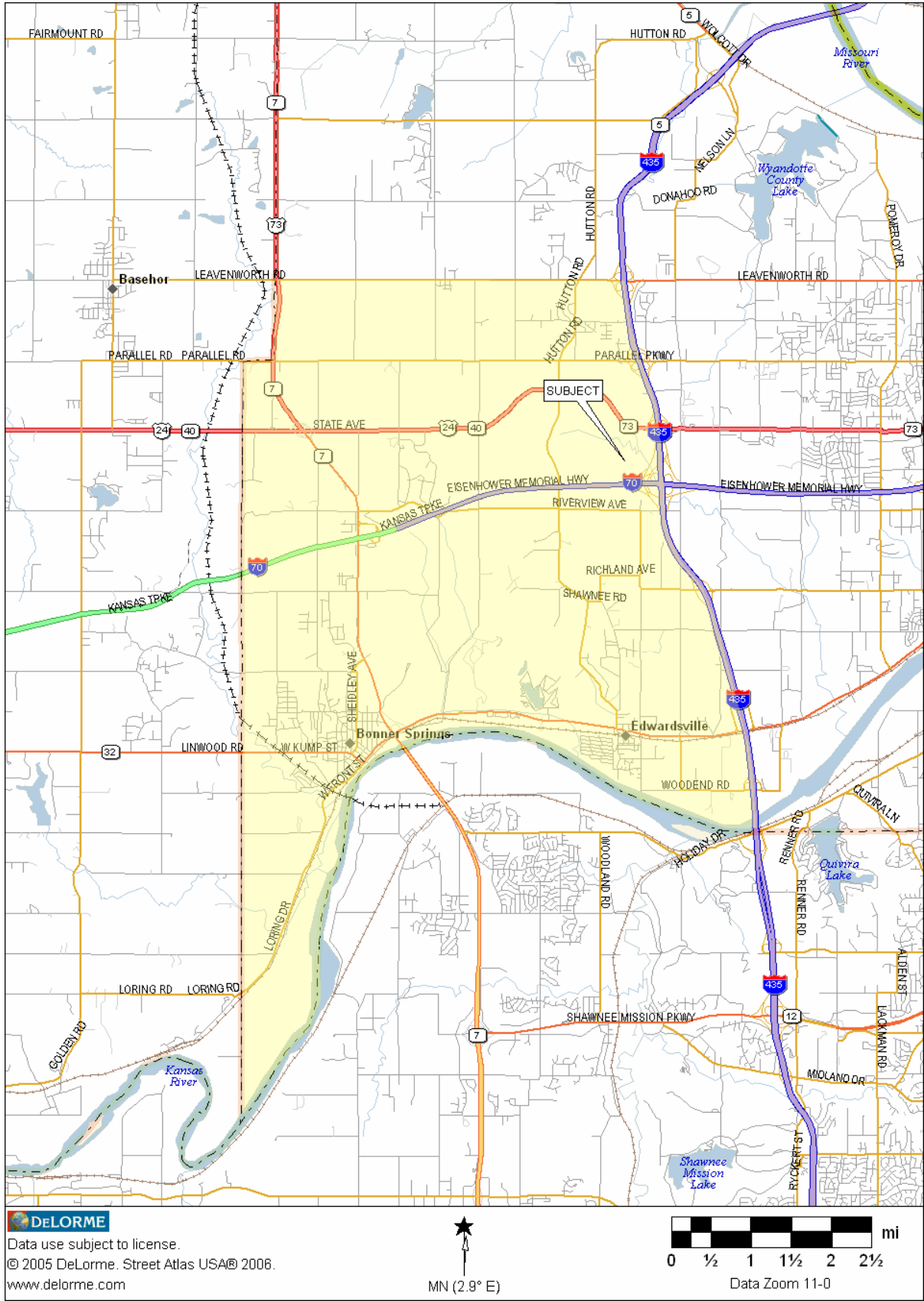
Development in this area includes the original town development of the City of Bonner Springs, the industrial and mixed commercial development of Edwardsville, and assorted newer developments along Kansas 7 Highway south of Interstate 70, near Kansas Avenue, and north of I-70, south of Riverview Avenue. The development along K-7 south of I-70 is commercial in nature and was originally developed in support of neighborhood retail and service type uses and was anchored by a Wal-Mart store. More recently, Wal-Mart built a new store in the area, and a new Price Chopper grocery store was built. Other new developments, including a variety of smaller retail uses and a car dealership have been erected in recent years. North of I-70 along this corridor is more highway commercial in nature with a number of fast food restaurants and retail services, including an automotive repair shop, a bank, and a Holiday Inn Express hotel. A farm implement store has also been erected just to the north, and a self storage facility was also erected.

The neighborhood south of State Avenue lies primarily within the Bonner Springs school district, while the land north of State Avenue is primarily in the Piper school district. A small portion of the Kansas City Kansas school district is also within the neighborhood, extending just beyond Interstate 435 around State Avenue. Residential land values are typically impacted by the perceived quality of the school district. The Kansas City, Kansas, school district has typically been rated and perceived as being inferior to both the Piper and Bonner Springs school districts. As such, residential land values are typically higher in both of these districts in relation to the Kansas City, Kansas district.

CONCLUSION

The neighborhood overall is growing and is experiencing relatively good demand. The Bonner Springs area has experienced significant commercial growth over the last few years and residential development is exhibiting signs of relatively good strength following a of limited development of any kind in the neighborhood through the latter part of the 1990's. The initial resurgence in demand in the area was caused by the general shift of the population to the west. The development of the Speedway and entertainment and tourism district is providing an additional strong positive impetus for new development in the neighborhood. This development is already spurring a dramatic increase in related commercial enterprises particularly in the western portion of the neighborhood surrounding the I-435, I-70 and K-7 Highway corridors.

NEIGHBORHOOD MAP



SITE ANALYSIS

SUBJECT IDENTIFICATION

Name	Kansas Speedway development land
Address	Located at 600 Village West Parkway
City, State, Zip Code	Kansas City, Kansas 66111

The property is located in a moderately traveled location the southwest quadrant of the intersection of State Avenue and Village West Parkway and having good access from area highways,

SURROUNDING LAND USES

The property is located at a primary location within the Kansas Speedway and Village West entertainment district. The uses immediately surrounding the subject are summarized following.

DIRECTION FROM SUBJECT	GENERAL LAND USE
NORTH	Village West development, Parallel Parkway, proposed Plaza at the Speedway development
SOUTH	Future development land, I-70 Highway, proposed Riverview Development land
EAST	Village West Parkway, Chateau Avalon, proposed development, Interstate 435, proposed Schlitterbahn Waterpark
WEST	Kansas Speedway, Unimproved

The subject's location is within the heart of the entertainment district. The development in the area has been detailed preceding. There is substantial demand for area parcels at this time and a number of major developments are proposed for the area, fueled by the successes of the area's existing developments.

Any development of the subject site would benefit substantially from the draw of the Speedway and Village West developments.

UTILITIES

UTILITY	PROVIDED BY:
ELECTRICITY	Board of Public Utilities
NATURAL GAS	Atmos Energy
WATER	Board of Public Utilities
TELEPHONE	Southwestern Bell Telephone
SEWER	Municipal

The site is located in a developed area and all utilities are available. The utilities serving the area are all buried.

It is assumed in this analysis that all utilities are available with adequate capacity to provide for commercial development.

PHYSICAL CHARACTERISTICS

The primary physical attributes of the subject site are detailed following.

TRACT	SUBJECT SITE
SQUARE FEET	4,438,285
ACRES	101.89
DIMENSIONS	See Exhibit Following
CONFIGURATION	Slightly Irregular
TOPOGRAPHY	Gently Rolling And At Grade
DRAINAGE	Adequate
FLOODPLAIN INFLUENCE	None - Outside The 500 Year Flood Plain FEMA Map # 200363 0010A Effective August 3, 1981
EVIDENCE OF FLOODING	None
SITE EXHIBITS	Following

The land area of the site is the net site area, net of the street right-of-way. The topography of the site is gently rolling and at grade but generally is readily developable. The Speedway development was graded to provide stadium seating at grade and as a result, there is a large sloped berm surrounding the majority of the tract. The track was created within a “bowl”. The subject site at its boundary with the Speedway is generally at a level at the top of the bowl, a feature that results in a good view amenity.

ZONING

The site is zoned AG, Agricultural district, by the City of Kansas City, Kansas. The AG, Agricultural district is a zoning designation used in rural areas and is generally a holding zoning designation until such a time as development is imminent.

The Future Land Use Map for the subject calls for development with an entertainment use. The CP-2 zoning designation is a commercial zoning that would be a fit for the City intended future land use.

The specific designation, and the restrictions and uses allowed within this designation, are described in detail in the Highest and Best Use section of this report.

STREET FRONTAGE & IMPROVEMENTS

A detail of the primary attributes of the streets serving the development, upon their completion, is included following.

STREET NAME	MARTINSVILLE DRIVE	VILLAGE WEST PARKWAY
FRONTAGE	1,156.18	2,075.76
PAVING	Asphalt	Asphalt
CONDITION	Average	Good
TYPE OF STREET	Secondary Connector Street	Primary Commercial Thoroughfare
DIRECTION OF TRAFFIC	East/West	North/South, Looping East/West
# OF LANES (EA. DIRECTION)	One	Two
DIRECTION FROM STREET	East	North And West
CURBING	Square Concrete	Square Concrete
SIDEWALKS	Yes	Yes
TRAFFIC LEVELS	Light	Moderate
STREET LIGHTS	Electric	Electric
SPEED LIMIT	25 M.P.H.	35 M.P.H.
ACCESS	Adequate	Adequate
VISIBILITY	Good	Good

The subject site is a corner site having frontage of 2,075.76 along the north and west side of Village West Parkway, a primary commercial thoroughfare serving the area. Village West Parkway intersects with State Avenue and with Speedway Boulevard, essentially forming a loop around the Kansas Speedway property.

The site also has frontage of 1,156.18 feet set back slightly but essentially running along the east side of Martinsville Drive, a secondary connector street serving the area. Another street, Richmond Drive runs diagonally northwest to southeast through the interior of the property. Each of these three streets radiates inward to Daytona Drive, an interior loop road serving the Speedway and which runs through the interior of the subject site.

SITE IMPROVEMENTS & LANDSCAPING

The subject site is improved with the aforementioned roads and all utilities are available to the site. There are some minor improvements made to accommodate event parking for RV's, but these improvement are largely beyond the site boundary and do not contribute any significant value to the property.

EASEMENTS & ENCROACHMENTS

The utilities serving the site are not identified within the site exhibits provided so only obvious easements are noted. The site appears to be served by standard utility easements.

The site's legal description indicates that it abuts the outside face of the Speedway's track wall. There is no evidence of encroachment on the site and it appears obvious that no large encroachments exist.

ENVIRONMENTAL HAZARDS

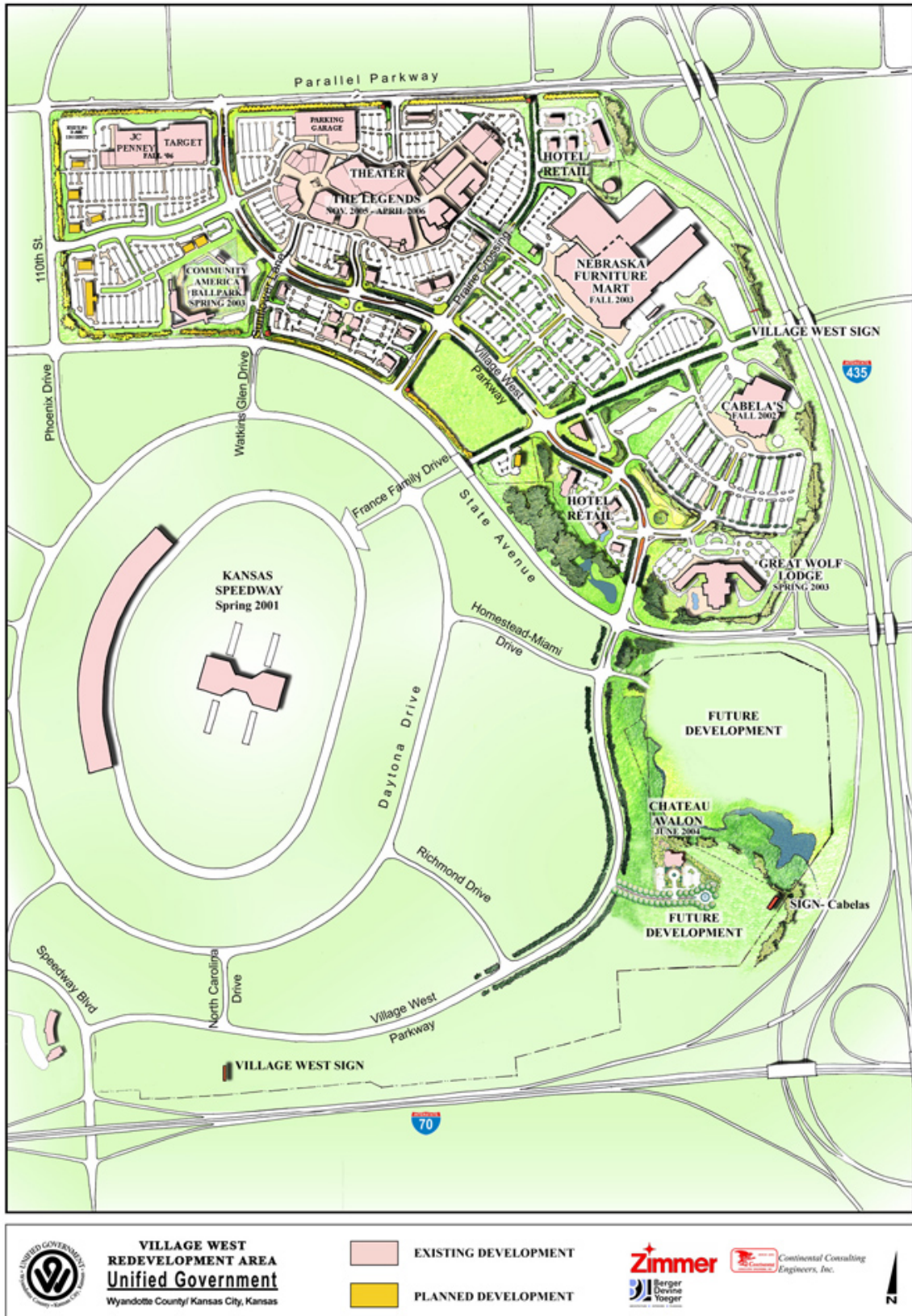
We have not been supplied with an environmental study of the site and make no judgments as to potential environmental hazards. We have no knowledge of the existence of such materials in or on the property. There do not appear to be any obvious environmental problems associated with the property.

It is assumed in this analysis that there are no substantive environmental hazards affecting the subject property.

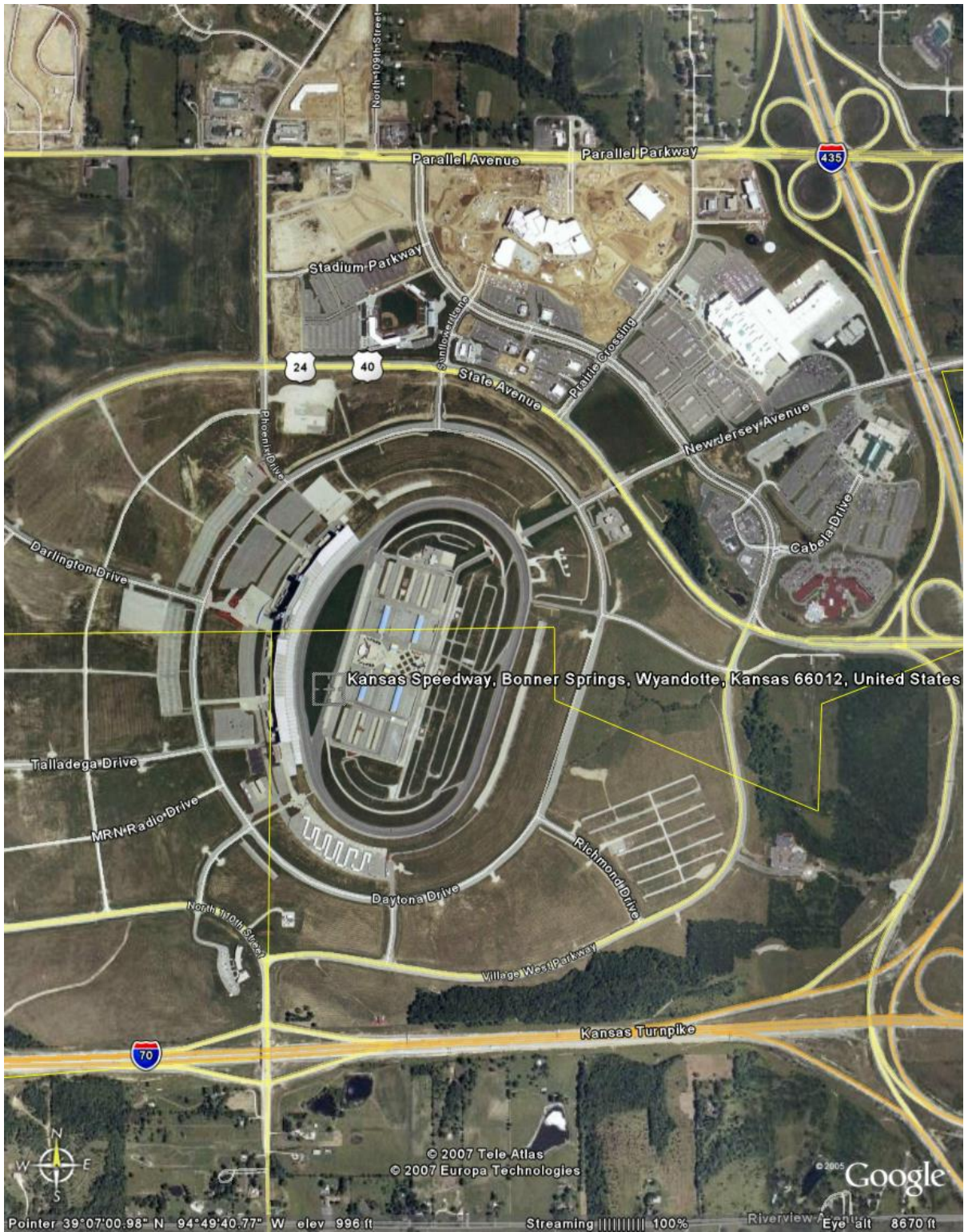
CONCLUSION

Positive site features include the site's location at a primary location within the Kansas Speedway and Village West entertainment district. The topography of the site is readily developable and the size of the site will allow for a variety of developments. The subject has good access and visibility is good. The site's zoning and location makes the property well suited for a commercial development.

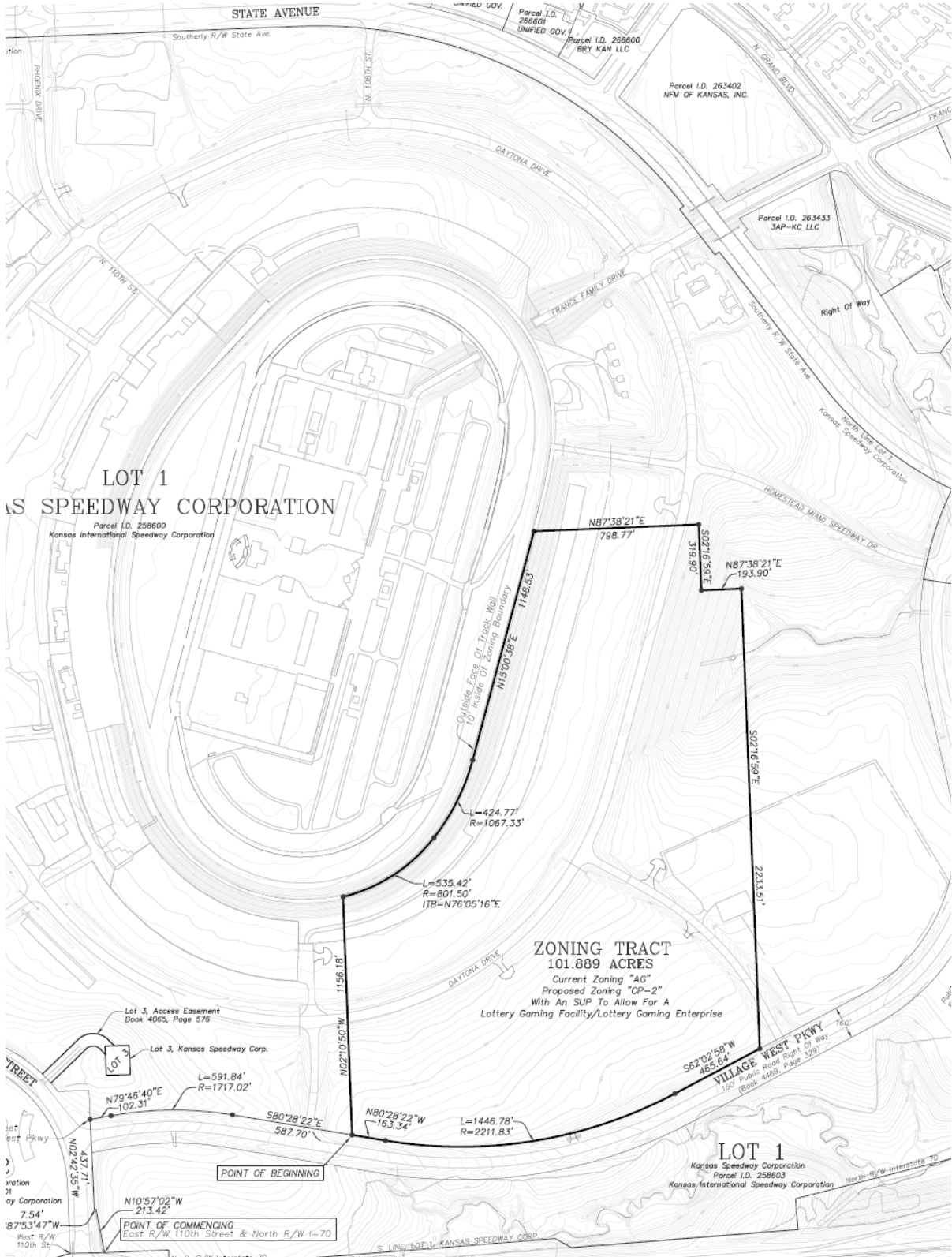
OVERVIEW OF ENTERTAINMENT DISTRICT



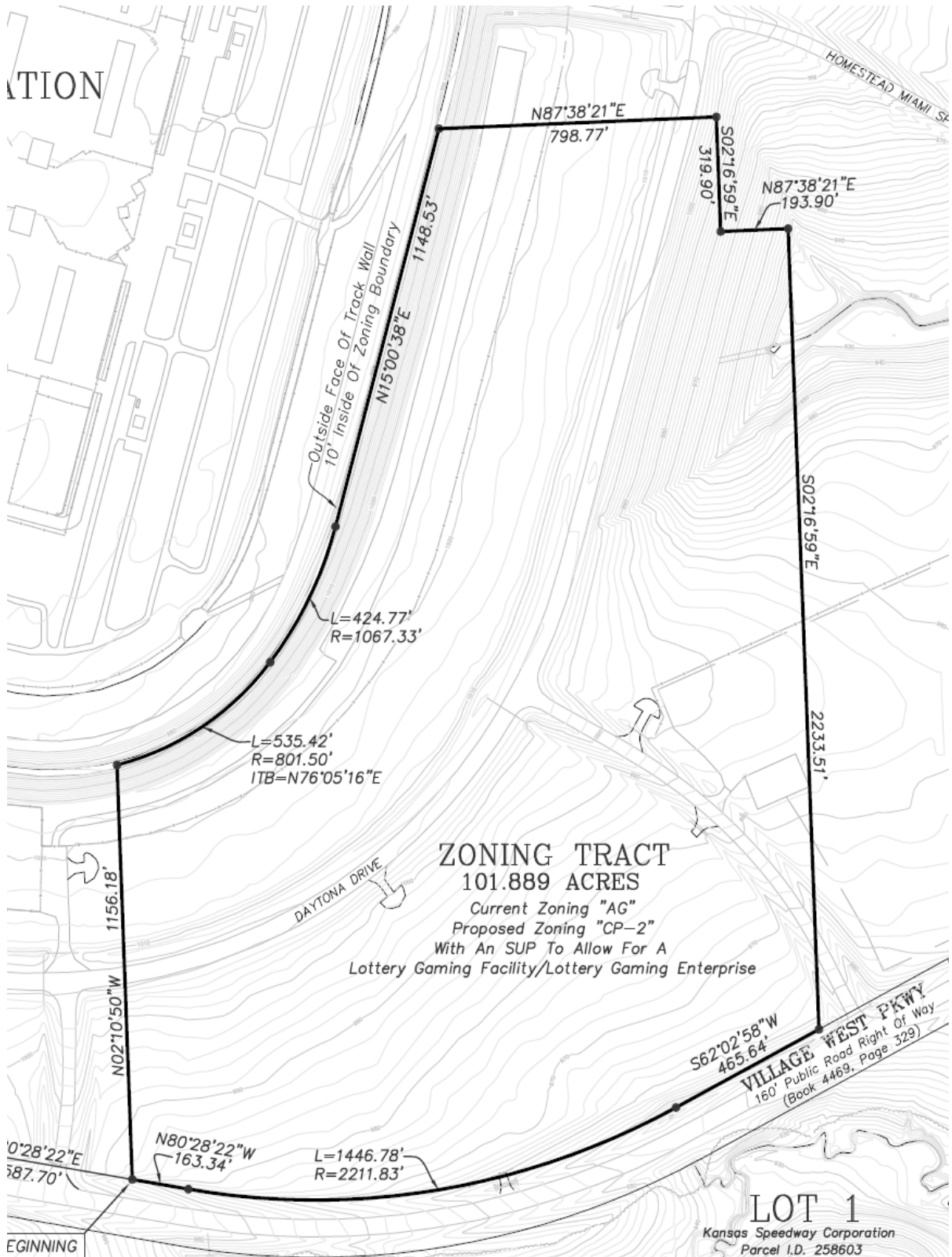
AERIAL MAP



OVERVIEW OF PARCEL



CLOSE-UP VIEW OF PARCEL



HIGHEST AND BEST USE ANALYSIS

For the purpose of this analysis, highest and best use is defined by *The Appraisal of Real Estate*, copyright by the Appraisal Institute (1992), as follows:

The reasonably probable and legal use of vacant land or an unimproved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

In cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. The four primary areas of evaluation used by the appraiser to estimate the highest and best use for a property, as though unimproved and ready for development, are as follows:

1. **Physically possible** - All possible uses which are physically possible for the site in question.
2. **Legally permissible** - Those uses which are permitted by zoning and deed restrictions of the site in question.
3. **Financially feasible** - Those possible and permissible uses which will produce positive net returns to the owner of the site under current or projected market conditions.
4. **Maximally productive** - That use among the alternative possible, permissible and feasible uses that will produce the highest net returns or present worth to the owner.

The primary concern of the appraiser is the determination of the highest and best use of the site as vacant. Once that determination has been made, the property is considered as improved to determine the contributory value, if any, of the improvements.

HIGHEST AND BEST USE "AS VACANT"

The highest and best use of land as though vacant assumes that a parcel of land is vacant or can be made vacant by demolishing any improvement. Even when the site is not vacant, it is of use in the appraisal process to analyze the site as though it were. We have analyzed the subject site and have summarized the analysis following as to the highest and best use of the land as though vacant, whether this is an interim use or not, whether the property has a more intense use, and what type of final use should occur on the site.

PHYSICALLY POSSIBLE

The geographical and physical characteristics of the site will affect the uses to which it can be developed. The utility of a site depends on its frontage, depth, size, shape, and area, as well as the availability and capacity of public utilities, the site's topography, and the subsoil conditions.

The site is situated at a primary location within the Kansas Speedway and Village West entertainment district. The subject site is gently rolling and at grade.

The site is located in a moderately traveled location the southwest quadrant of the intersection of State Avenue and Village West Parkway and having good access from area highways.

The site size is adequate to support a variety of possible uses. All utilities are available to the site, which generally is adaptable for any number of uses.

LEGALLY PERMISSIBLE

We have investigated and analyzed the various restrictions for the subject and have determined, and used, the most restrictive guidelines that prevail for the site. We have confirmed building codes and zoning development restrictions for the subject site.

The property is currently zoned AG, Agricultural district by the City of Kansas City, Kansas. This is essentially a holding zoning until such a time as development is imminent.

Given surrounding area uses, the most likely zoning for the subject would be a moderate intensity commercial zoning designation, consistent with the zoning supporting the uses in the neighboring Village West development.

A summary of the CP-2 zoning is included following.

ITEM	SUBJECT
ZONING	CP-2, Planned General Business District
TYPICAL USE	Retail, Commercial, and Office Developments
HEIGHT STANDARD	Maximum 12 Stories
FRONT SETBACK	Minimum 25'
SIDE SETBACK	Minimum 25'
REAR SETBACK	None Required
PARKING STANDARDS	4 Spaces per 1,000 sf of Floor Area (Retail); 1 Space per Guest Room, Plus 1 Space per 2 Employees on the Largest Shift Plus Adequate Parking for any Meeting, Restaurant or Lounge Space (Hotel)

The CP-2, Planned General Business District is a moderate intensity commercial zoning district in the city. Uses allowed include retail stores and commercial uses including offices, banks, convenience stores, service stations, car washes, hotels, and restaurants. Lower commercial uses and single family residential and duplex uses are also allowed. Industrial development of CP-2 sites is prohibited.

FINANCIALLY FEASIBLE

After considering the uses that could be physically and legally permissible, we have determined the likely uses that will produce an income greater or equal to the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All those uses that are expected to produce a positive return are regarded as financially feasible.

The site is well located in a moderately traveled location the southwest quadrant of the intersection of State Avenue and Village West Parkway and having good access from area highways. The

intersection of Village West Parkway with Colbern Road is controlled with a four way electronic traffic signal.

This area is gaining increased recognition and market acceptance as a result of the continuing expansion of the City. The expansion of utilities and the construction of businesses and homes in the area have spurred dramatically increased demand for this corridor. The recent purchase of several sites in the area evidence this demand.

Among the physically and legally possible uses of the site the financially feasible uses would include apartments and/or townhouses. Average to good quality developments would be typical for this area and it is felt that this type of development could be supported based on the surrounding area development. The site's access and visibility would lend itself to some form of commercial development.

MAXIMALLY PRODUCTIVE

It is our opinion that the highest and best use of the site, as vacant, would be for a commercial development of good quality consistent with the planned use, and up to the maximum density allowed by the zoning.

Given the size of the site and typical apartment densities in this area, a total development density of from 986,000 to 1,775,000 square feet would be most appropriate. This is based on the most typical multifamily land densities of 2.5 to 4.5 units per acre experienced at similar properties in this market.

MARKETING PERIOD AND EXPOSURE TIME

The subject property is located in a newly developing area that has been very well received in recent years. The market for commercial real estate is relatively strong at this point as a result of the continued westerly growth in the development pattern.

Properties similar to the subject would typically require a marketing period of about six months to one year. Our estimate of the marketing time for the subject property, listed at or near its fair market value, is six months to one year. This is consistent with the typical marketing period for multifamily land properties as reported in the Korpacz Real Estate Investor Survey conducted by PricewaterhouseCoopers.

The term reasonable exposure time is defined as the estimated length of time the property interest being appraised would have been offered prior to the consummation of a sale at market value assuming a competitive and open market. It is noted that with regard to a reasonable exposure time, exposure time is always presumed to precede the effective date of appraisal. It is further noted that the overall concept of reasonable exposure time assumes an adequate, sufficient, and reasonable marketing effort on the part of the seller.

In this case, the exposure time for the subject is identical to the marketing period.

THE APPRAISAL PROCESS

The estimate of market value of a property usually calls for employment of the three basic approaches to value. These approaches to value are identified as follows:

THE COST APPROACH THE SALES COMPARISON APPROACH THE INCOME APPROACH

In **THE COST APPROACH**, the appraiser estimates the cost of replacement of the building and land improvements, and subtracts for depreciation due to wear and tear, design and plan, and neighborhood defects. This is added to the value of the land, which is estimated by comparison with similar unimproved tracts that have sold recently and are similar to the subject property as to size, zoning and other factors of comparison.

In **THE SALES COMPARISON APPROACH**, the appraiser compares the subject property on a comparative unit basis with similar properties which have sold recently. Adjustments are made for factors of dissimilarity. All known sales are considered but the appraiser uses only those sales considered the most similar to the subject property. After analysis, the data is correlated into a final value estimate indicated by this approach.

In **THE INCOME APPROACH**, the appraiser estimates the fair rental value, deducts for vacancy, collection losses and other expenses, and then capitalizes the net income into a value indication by means of a capitalization rate composed of both a "return on" and "return of" the investment.

The appraiser then correlates the indicated value estimates of the three approaches into a final estimated market value after giving consideration to the relative strengths and weaknesses of each approach, giving the most weight to the approach most commonly used by typical purchasers in the market place.

In the case of the subject property, a development land parcel, only the Sales Comparison Approach is applied. The analysis that follows contains the necessary elements of information, data collection and analysis that has enabled us to make a proper evaluation of the market value of the subject by the Sales Comparison Approach. The application of this approach is relatively straight forward and is explained in the following section.

THE SALES COMPARISON APPROACH

A search was made of the market for all recent sales of properties in the immediate area of the subject or competitive locations that were considered similar to the subject's location. The sales were inspected by us and the sales price and terms and conditions of the sale were confirmed. If the sale could not be confirmed or if the terms and motivations of the sale indicated less than an "arm's length" transaction, the sale was not given consideration in this analysis.

Although all sales known to us were given consideration, the sales used in this report were considered to be most similar to the subject as to all major factors of comparison and the best and most reliable indicators of value for the subject property.

Comparisons made in this section were from the sale to subject property. The adjustments resulting from these comparisons were based on our judgment as to the reactions and desires of typical buyers for this type of property in this or competitive locations and in this price range.

Following is an adjustment grid on which we have compared the characteristics of the sale properties to the subject and has made adjustments to the sales for the areas of dissimilarities. The items adjusted are explained in the grid, and both the narrative paragraphs and summary pages that follow. A map identifying the locations of the involved properties follows the land sale summary pages. Full write-ups of the sales cited are contained in **Addendum B** to this report.

LAND SALES ADJUSTMENT GRID

CORDRY APPRAISAL SERVICES, INC.

10/21/2007 FILE # 2616

Sale number	SUBJECT	1	2	3	4
Index #	60000	65049	65637	64965	65046
Name	KANSAS SPEEDWAY DEVELOPMENT	INDIAN CASINO LAND	SCHLITTERBAHN	PLAZA AT THE SPEEDWAY	BOZICH PROPERTY
Address	600 VILLAGE WEST PARKWAY	11104 STATE AVENUE	S. SIDE PARALLEL PKWY @	N. SIDE PARALLEL, 104TH TO	10322 RIVERVIEW AVENUE
City, State, Zip Code	KANSAS CITY, KANSAS 66111	KANSAS CITY, KANSAS 66011	KANSAS CITY, KANSAS 66111	KANSAS CITY, KS 66111	EDWARDSVILLE, KANSAS 66
Sale date	21-Oct-07	20-Jun-04	15-Mar-06	01-Oct-07	06-Mar-07
Land area (acres)	101.89	79.58	185.80	78.13	52.75
Land area (sf)	4,438,285	3,466,635	8,093,448	3,403,256	2,297,921
Sale price w/ Cash Equiv.	N/A	\$9,583,200	\$33,311,900	\$19,967,033	\$8,700,000
Zoning	AG, AGRICULTURAL DISTRICT	M-3, INDUSTRIAL	CP-2, COMMERCIAL	COMMERCIAL	COMMERCIAL
Specific use					
Topography/terrain	GENTLY ROLLING AND AT G	GENTLY ROLLING	GENTLY TO MODERATELY R	GENTLY ROLLING	ROLLING
Location in block	CORNER	CORNER	CORNER	CORNER	INTERIOR
Utilities	ALL UTILITIES ARE AVAILA	ALL AVAILABLE	PARTIALLY LACKS SEWER	ALL AVAILABLE	NO SEWER
Floodplain influence	NONE	NONE	NONE	NONE	NONE
Dimensions	SLIGHTLY IRREGULAR	IRREGULAR	SLIGHTLY IRREGULAR	SLIGHTLY IRREGULAR	IRREGULAR
Site improvements/cover					
Price per SF		\$2.76	\$4.12	\$5.87	\$3.79
PROPERTY RIGHTS					
Adjusted price per square foot		\$2.76	\$4.12	\$5.87	\$3.79
FINANCING TERMS					
Adjusted price per square foot		\$2.76	\$4.12	\$5.87	\$3.79
CONDITIONS OF SALE					-15.00%
Adjusted price per square foot		\$2.76	\$4.12	\$5.87	\$3.22
TIME/MARKET CONDITIONS		17.00%	8.00%		3.00%
Adjusted price per square foot		\$3.23	\$4.45	\$5.87	\$3.31
LOCATION		COMPARABLE	INFERIOR	COMPARABLE	INFERIOR
Percentage adjustment			10%		20%
Dollar adjustment			\$0.44		\$0.66
ACCESS/VISIBILITY		INFERIOR	COMPARABLE	INFERIOR	COMPARABLE
Percentage adjustment		20%		10%	
Dollar adjustment		\$0.65		\$0.59	
PHYSICAL ATTRIBUTES		INFERIOR	STAR BONDS	STAR BONDS	INFERIOR
Percentage adjustment		46%	-34%	-26%	45%
Dollar adjustment		\$1.50	-\$1.50	-\$1.50	\$1.50
ZONING		COMPARABLE	COMPARABLE	COMPARABLE	COMPARABLE
Percentage adjustment					
Dollar adjustment					
SIZE		SUPERIOR	INFERIOR	SUPERIOR	SUPERIOR
Percentage adjustment		-5%	15%	-5%	-10%
Dollar adjustment		-\$0.16	\$0.67	-\$0.29	-\$0.33
Gross percentage adjustment		71%	59%	41%	75%
Net percentage adjustment		61%	-9%	-21%	55%
Gross dollar adjustment		\$2.31	\$2.61	\$2.38	\$2.49
Net dollar adjustment		\$1.99	(\$0.39)	(\$1.21)	\$1.83
Adjusted price per square foot		\$5.22	\$4.06	\$4.66	\$5.15
Market range per SF			Rate Per SF	\$5.00	
Minimum:	\$4.06	# of Square Feet	4,438,285		
Maximum:	\$5.22	Value indication:	\$22,191,424		
Average (Mean):	\$4.77	Rounded:	\$22,000,000		

On the adjustment grid preceding, the following items are included in the adjustment process. Note that the adjustments made for terms of sale and Time/Market Conditions are made prior to the adjustments for physical factors.

PROPERTY RIGHTS

The property rights conveyed involve the fee simple interests in the property. Adjustments for property rights are not made.

FINANCING TERMS

The properties considered involve free market sales and have not been influenced by special financing. Adjustments for financing terms are not necessary.

CONDITIONS OF SALE

Sale 4 is a recent listing of a parcel in the area. A downward adjustment has been made to account for the probable concession on the part of the seller to allow for negotiation and to induce a sale. The other sales cited involve typical sales unaffected by undue stimulus, and the buyer and seller are felt to be typically motivated. Adjustments for conditions of sale to these sales are not felt necessary.

TIME/MARKET CONDITIONS

The adjustments made for time are meant to show the change in the market conditions since the sales transpired.

The national inflation rate has been used as a reference for appreciation trends that can be expected in a real estate market. Although they are not directly related, inflation tends to be one component that is considered in the real estate market. The core inflation rate is a similar measure but excludes the more volatile energy and food prices and is considered a more accurate depiction of inflation in the real estate market.

The national inflation rate has generally been in the range of 3% annually. Only two years since 1966 have seen the core Consumer Price Index (CPI) rise less than 2.2%. One of those years was 2002, when a weak labor market helped keep consumer prices in check.

A table detailing the recent historic inflation trends is included following.

NATIONAL INFLATION RATES					
Inflation Type	2002	2003	2004	2005	2006
CPI	1.6%	2.3%	2.7%	3.4%	3.2%
Core Inflation	2.4%	1.4%	1.8%	2.2%	2.5%

There has been some upward pressure on area land tracts as a result of modest inflation. In the subject's immediate market, appreciation has been good and a moderate upward adjustment, at about 5.0% annually is made. It is noted that this level of appreciation is somewhat higher than the corresponding inflation rate and is reflective of the rate of growth in this area. The sales used are, for the most part, recent and the level of adjustment has only a modest impact on the values indicated.

LOCATION

Location adjustments are intended to reflect the various locational attributes and the attitudes of those prospective buyers knowledgeable of similar properties in the surrounding area. The subject is located at a primary location within the Kansas Speedway and Village West entertainment district.

Sale 1 is located just to the northwest of the subject adjacent to the Speedway land. No adjustment is needed for this sale. Sale 2 is across Interstate 435 from the Speedway and entertainment district and a small upward adjustment is made. Sale 3 is located adjacent to the Village West development and no adjustment is needed. Sale 4 is located across Interstate 70 from the Speedway and Entertainment district, like Sale 2. A larger upward adjustment has been made since it is located in Edwardsville.

ACCESS/VISIBILITY

Access/Visibility adjustments are made as a result of the various limitations for development of a particular site due to its access and/or visibility from the streets which it fronts or those streets having significant influence. The subject site is located in a moderately traveled location the southwest quadrant of the intersection of State Avenue and Village West Parkway and having good access from area highways.

The subject is located in an area having excellent recognition and good highway access. Sale 1 is located to the west and has more limited access and no significant highway visibility. A moderate upward adjustment has been made for this factor. Sales 2 and 4 have similar access and visibility to the subject and no adjustments are needed. Sale 3 has slightly more limited access and visibility and the appropriate upward adjustment has been made.

PHYSICAL ATTRIBUTES

The Physical Attributes adjustments are intended to reflect the ease with which a site could be developed. The subject site is gently rolling and at grade and is a developable site.

The subject's topography generally sits above the Speedway from about turn two to just beyond midway down the back stretch. This affords good views of the Speedway and development with an entertainment use would take advantage of this amenity and create a synergy. This feature is considered in the Access/Visibility adjustment category.

The subject site has extensive road improvements and other infrastructure that were made as part of the Speedway's original development. Other developments in the area require costs of from \$1.50 to \$3.50 per square foot for these types of improvements. The costs for the Plaza at the Speedway are estimated at just over \$3 per square foot. It is felt that roughly one-half of these costs relate to the road and infrastructure costs, while the other half are related to the site improvements made in support of the building development.

Sales 1 and 4 are minimally improved and a modest upward adjustment has been made. Sales 2 and 3 will allow for the reimbursement (through Star bonds) of the majority of all of the site development costs and the appropriate downward adjustment has been made to each.

ZONING

Zoning adjustments in this analysis are intended to reflect any restriction the zoning will have on a site's likely and/or anticipated use. The subject is zoned AG, Agricultural district, but development

with a commercial or entertainment use is considered highly probable given the uses that have been approved in this district to date.

The sales used have similar development potential and no adjustments are needed. Even so, the speculative nature of the subject's zoning is considered in the final estimate of value reconciled by this report.

SIZE

Size adjustments reflect the economy of scale associated with the purchase of various sizes of sites. Sales 1 and 3 involve slightly smaller sites and a small downward adjustment has been made to each. Sale 4 involves an even smaller site and a larger downward adjustment has been made. Sale 2 involves a significantly larger site and the appropriate upward adjustment has been made.

Summary sheets for the land sales used are included following.

PROPERTY IDENTIFICATION

Property name: INDIAN CASINO LAND
 Address: 11104 STATE AVENUE
 City, state, zip code: KANSAS CITY, KANSAS 66012
 County: WYANDOTTE

SALE TRANSACTION DATA

Grantor: MINNESOTA AVE, INC.
 Grantee: KICKAPOO TRIBE
 Sale date: 6/20/2004
 Sale price: \$9,583,200
 Adjusted price: \$9,583,200



Category: SALE
 Deed/Terms/Rights: FEE SIMPLE
 Land area (acres): 79.58
 Land area (sf): 3,466,635
 Specific use: SPECULATION
 Zoning: M-3, INDUSTRIAL
 Utilities: ALL AVAILABLE
 Floodplain influence: NONE

ANALYSIS

Price per square foot: \$2.76
 Price per acre: \$120,418
 Price per site: \$9,583,200

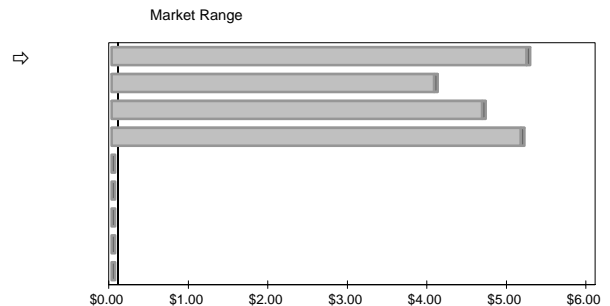
ADJUSTMENTS

Unadjusted Price = \$2.76

ADJUSTMENT FOR:	ADJUSTMENT:	REMARKS:
PROPERTY RIGHTS	No Adjustment	
FINANCING TERMS	No Adjustment	
CONDITIONS OF SALE	No Adjustment	
TIME/MARKET CONDITIONS	Appreciation, adjusted upward 17%.	
LOCATION	No Adjustment	COMPARABLE
ACCESS/VISIBILITY	Sale is inferior, adjusted upward \$0.65 or 20%.	INFERIOR
PHYSICAL ATTRIBUTES	Sale is inferior, adjusted upward \$1.50 or 46%.	INFERIOR
ZONING	No Adjustment	COMPARABLE
SIZE	Sale is superior, adjusted downward \$0.16 or 5%.	SUPERIOR

GRAPHICAL PRESENTATION

Land Sale #1 Adjusted Price = \$5.22
 Land Sale #2 Adjusted Price = \$4.06
 Land Sale #3 Adjusted Price = \$4.66
 Land Sale #4 Adjusted Price = \$5.15



COMMENTS

PROPERTY IDENTIFICATION

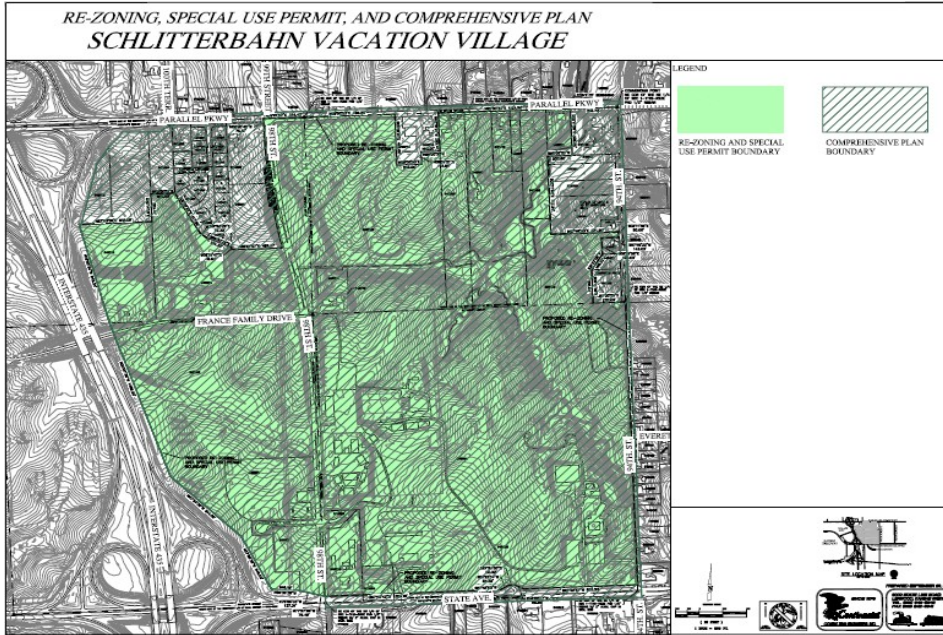
Property name: SCHLITTERBAHN
 Address: S. SIDE PARALLEL PKWY @ 99TH
 City, state, zip code: KANSAS CITY, KANSAS 66111
 County: WYANDOTTE

Confirmed by: MARK BOETTCHER

SALE TRANSACTION DATA

Grantor: VARIOUS
 Grantee: S VV I, LLC
 Sale date: 3/15/2006
 Sale price: \$33,311,900

Adjusted price: \$33,311,900



Category: SALE
 Deed/Terms/Rights: FEE SIMPLE
 Land area (acres): 185.80
 Land area (sf): 8,093,448
 Specific use: RECREATION
 Zoning: CP-2, COMMERCIAL
 Utilities: PARTIALLY LACKS S
 Floodplain influence: NONE

ANALYSIS

Price per square foot: \$4.12
 Price per acre: \$179,289

Price per site: \$33,311,900

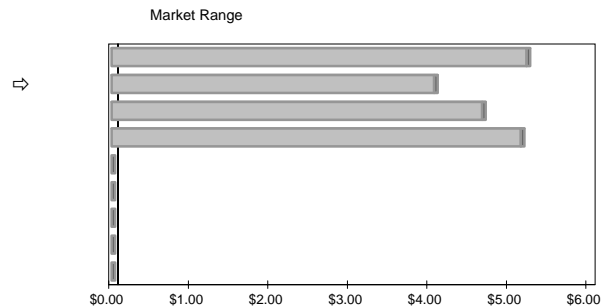
ADJUSTMENTS

Unadjusted Price = \$4.12

ADJUSTMENT FOR:	ADJUSTMENT:	REMARKS:
PROPERTY RIGHTS	No Adjustment	
FINANCING TERMS	No Adjustment	
CONDITIONS OF SALE	No Adjustment	
TIME/MARKET CONDITIONS	Appreciation, adjusted upward 8%.	
LOCATION	Sale is inferior, adjusted upward \$0.44 or 10%.	INFERIOR
ACCESS/VISIBILITY	No Adjustment	COMPARABLE
PHYSICAL ATTRIBUTES	Sale is superior, adjusted downward \$1.50 or 34%.	STAR BONDS
ZONING	No Adjustment	COMPARABLE
SIZE	Sale is inferior, adjusted upward \$0.67 or 15%.	INFERIOR

GRAPHICAL PRESENTATION

Land Sale #1 Adjusted Price = \$4.06
 Land Sale #2 Adjusted Price = \$4.06
 Land Sale #3 Adjusted Price = \$4.66
 Land Sale #4 Adjusted Price = \$5.15



COMMENTS

PROPERTY IDENTIFICATION

Property name: PLAZA AT THE SPEEDWAY
 Address: N. SIDE PARALLEL, 104TH TO 108TH
 City, state, zip code: KANSAS CITY, KS 66109
 County: WYANDOTTE
 Legal description: 16 PARCELS (11 SELLERS)
 Confirmed by: CHARISE SEDLOCK, BROKER

SALE TRANSACTION DATA

Grantor: MULTIPLE PARTIES
 Grantee: PLAZA AT THE SPEEDWAY
 Sale date: 10/1/2007
 Sale price: \$19,967,033
 Adjusted price: \$19,967,033



Category: SALE
 Deed/Terms/Rights: FEE SIMPLE
 Land area (acres): 78.13
 Land area (sf): 3,403,256
 Specific use: COMMERCIAL
 Zoning: COMMERCIAL
 Utilities: ALL AVAILABLE
 Floodplain influence: NONE

ANALYSIS

Price per square foot: \$5.87
 Price per acre: \$255,568
 Price per site: \$19,967,033

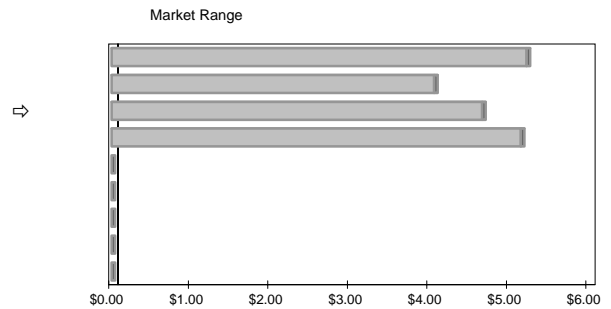
ADJUSTMENTS

Unadjusted Price = \$5.87

ADJUSTMENT FOR:	ADJUSTMENT:	REMARKS:
PROPERTY RIGHTS	No Adjustment	
FINANCING TERMS	No Adjustment	
CONDITIONS OF SALE	No Adjustment	
TIME/MARKET CONDITIONS	No Adjustment	
LOCATION	No Adjustment	
ACCESS/VISIBILITY	Sale is inferior, adjusted upward \$0.59 or 10%.	COMPARABLE
PHYSICAL ATTRIBUTES	Sale is superior, adjusted downward \$1.50 or 26%.	INFERIOR
ZONING	No Adjustment	STAR BONDS
SIZE	Sale is superior, adjusted downward \$0.29 or 5%.	COMPARABLE
		SUPERIOR

GRAPHICAL PRESENTATION

Land Sale #1	Adjusted Price = \$4.66
Land Sale #2	Adjusted Price = \$4.06
Land Sale #3	Adjusted Price = \$4.66
Land Sale #4	Adjusted Price = \$5.15



COMMENTS

PROPERTY IDENTIFICATION

Property name: BOZICH PROPERTY
 Address: 10322 RIVERVIEW AVENUE
 City, state, zip code: EDWARDSVILLE, KANSAS 66111
 County: WYANDOTTE

Confirmed by: CHRISTINA ELAM, PRUDENTIAL CARTER-DUFFEY, LI

SALE TRANSACTION DATA

Grantor: MARIA D. AND GEORGE BOZICH JR.
 Sale date: 3/6/2007
 Sale price: \$8,700,000
 Adjusted price: \$8,700,000



Category: LISTING
 Deed/Terms/Rights: FEE SIMPLE
 Land area (acres): 52.75
 Land area (sf): 2,297,921
 Specific use: SPECULATION
 Zoning: COMMERCIAL
 Utilities: NO SEWER
 Floodplain influence: NONE

ANALYSIS

Price per square foot: \$3.79
 Price per acre: \$164,920
 Price per site: \$8,700,000

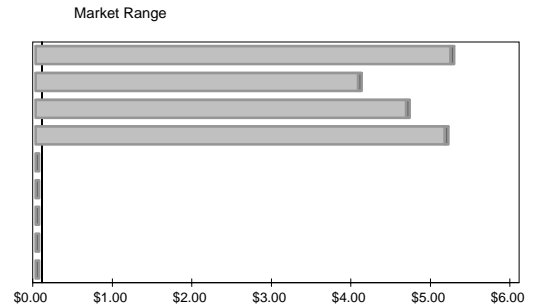
ADJUSTMENTS

Unadjusted Price = \$3.79

ADJUSTMENT FOR:	ADJUSTMENT:	REMARKS:
PROPERTY RIGHTS	No Adjustment	
FINANCING TERMS	No Adjustment	
CONDITIONS OF SALE	Superior, adjusted downward 15%.	
TIME/MARKET CONDITIONS	Appreciation, adjusted upward 3%.	
LOCATION	Sale is inferior, adjusted upward \$0.66 or 20%.	INFERIOR
ACCESS/VISIBILITY	No Adjustment	COMPARABLE
PHYSICAL ATTRIBUTES	Sale is inferior, adjusted upward \$1.50 or 45%.	INFERIOR
ZONING	No Adjustment	COMPARABLE
SIZE	Sale is superior, adjusted downward \$0.33 or 10%.	SUPERIOR

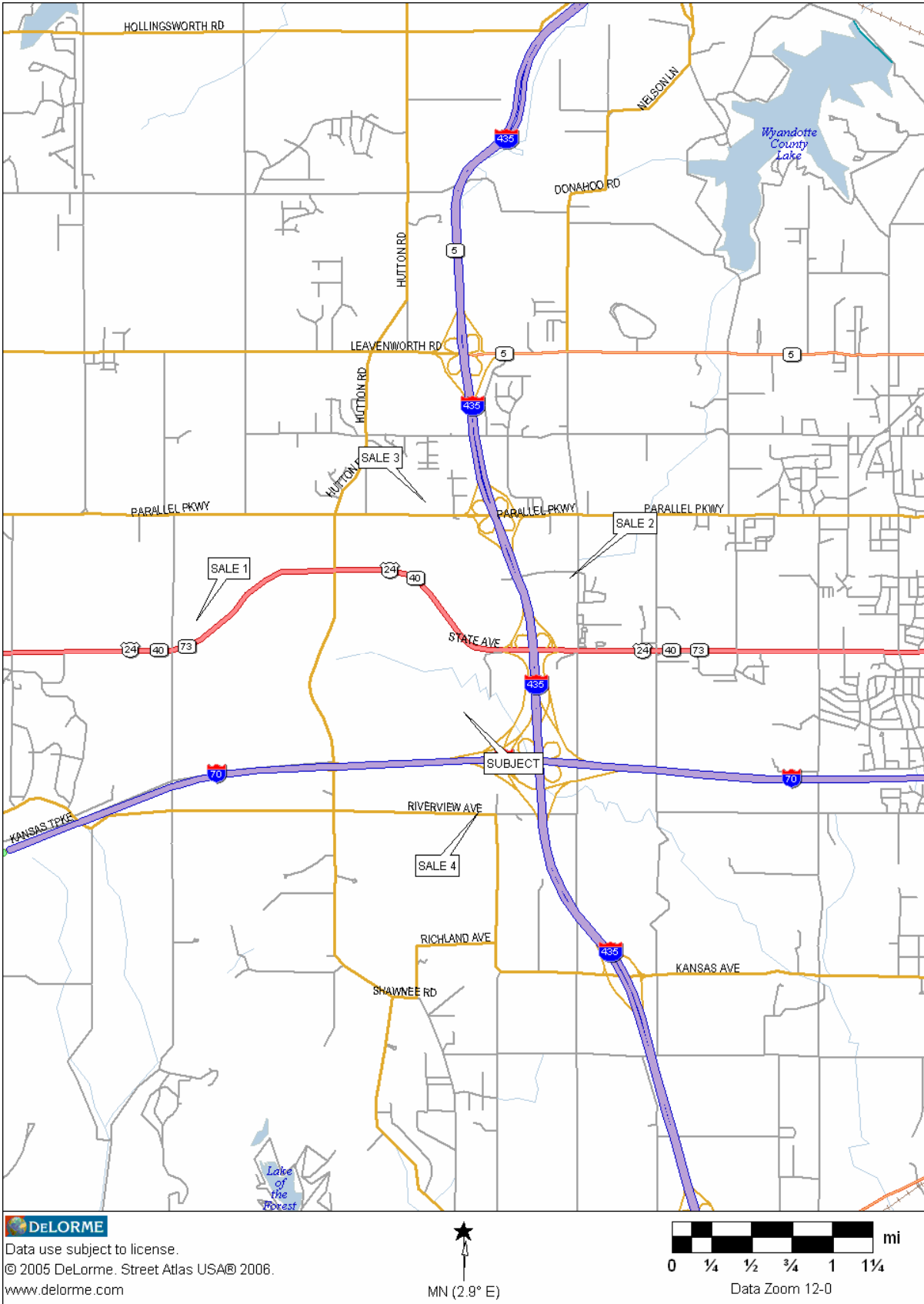
GRAPHICAL PRESENTATION

Land Sale #1 Adjusted Price = \$5.15
 Land Sale #2 Adjusted Price = \$4.06
 Land Sale #3 Adjusted Price = \$4.66
 Land Sale #4 Adjusted Price = \$5.15



COMMENTS

LAND SALES MAP



The sales used involve sales of relatively large development tracts within and around the Speedway and entertainment district in Wyandotte County, Kansas. There has been modest activity for similar sites over the last few years and there have been a sufficient number of sales to support the land value for the subject. The sales used are the most recent sales of similar tracts in the area of the subject and are felt to provide adequate support for the value of the subject's land.

The sales used sold for prices ranging from \$2.76 to \$5.87 per unit. The unit prices vary significantly in this market primarily as a result of the speculative value of the parcels pending plan and zoning approval and the possible approval of Star bond financing. The sales used have been adjusted for these factors.

Based on the application of the adjustment process to the sales used, the indicated value of the subject site should range between about \$4.06 to \$5.22 per unit. Sales 2 and 3 have the least adjustment and offer good support for the subject's value. The other sales have slightly larger adjustments but provide adequate support for the subject's value. It is noted that Sale 1 is located adjacent to the Speedway property, making it significant.

The subject site is very well located, adjacent to the Speedway. This creates a unique opportunity to take advantage of and to build on the synergy and view amenity provided. Even so, the zoning of the site remains speculative at this time. Based on the data available, it is our estimate that the subject property has a value in the upper end of the indicated value range at \$5.00 per unit.

Then, \$5.00 per unit times 4,438,285 units equals \$22,191,425. This is rounded to \$22,000,000 to provide our estimate of the value of the subject site.

The final value indication for the **Fee Simple Estate** interest of the subject land, **as is** by the Cost Approach, as of **October 21, 2007**, is:

□□ **\$22,000,000** □□

RECONCILIATION AND FINAL ESTIMATE OF VALUE

In the case of the subject property, a development land parcel, only the Sales Comparison Approach is applied. The Sales Comparison Approach is felt to be adequately supported. There are a sufficient number of available sales which provide a basis for this approach.

Our final estimate of the market value the subject property, the Kansas Speedway development land, a development land parcel located at 600 Village West Parkway, in Kansas City, Kansas, is as follows.

The final value indication for the **Fee Simple Estate** interest of the subject property, **as is**, by all of the applied approaches to value, as of **October 21, 2007**, is:

□□ **\$22,000,000** □□

CERTIFICATION OF VALUE

I (we) certify that, to the best of my (our) knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my (our) personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I (we) have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I (we) have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My (our) engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My (our) compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My (our) analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8. I (we) have had a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the person(s) signing this certification.
10. As of the date of this report, Reg W. Cordry, MAI, and Kevin P. O'Bryan, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.
11. The final estimated value of the property is as follows.

The final value indication for the **Fee Simple Estate** interest of the subject property the Kansas Speedway development land, located at 600 Village West Parkway, in Kansas City, Kansas, **as is**, by all of the applied approaches to value, as of **October 21, 2007**, is:

=== \$22,000,000 ===

October 30, 2007

Date


Reg W. Cordry, MAI


Kevin P. O'Bryan, MAI

CONTINGENT AND LIMITING CONDITIONS

The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made.
5. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
6. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
7. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
9. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by the same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department, agency, or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.

10. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.
11. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field of environmental impacts upon real estate if so desired.
12. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

QUALIFICATIONS OF REG W. CORDRY, MAI

Established CORDRY APPRAISAL SERVICES in December 1984: Providing Professional Services in Commercial and Residential Appraisal.

Appraised a wide variety of properties for financial institutions, individuals, attorneys and local and federal government entities. Qualified as an expert witness in the Circuit Courts in Kansas and Missouri as well as Federal Bankruptcy Court in Kansas and Missouri. Properties appraised include:

- Raw Land
- Farm Land
- Residential Land
- Residential Subdivisions
- Commercial Land
- Industrial Land
- Single Family Residences
- Duplex Units
- Residential Condominiums
- Apartments
- Mobile Home Parks
- General & Medical Office Buildings
- Surgery Centers
- Office Condominiums
- Office Subdivisions
- Transmission Towers
- Child Care Centers
- Vehicle Service Properties
- Service Stations
- Bowling Centers
- Ice Rinks
- Loft Apartments
- Hotels/Motels
- Free Standing Retail Buildings
- Neighborhood Retail Centers
- Community Retail Centers
- Grocery Stores
- Storage Facilities
- Office Warehouses
- Manufacturing Buildings
- Distribution Centers
- Mixed Use Properties
- Car Washes
- Parking Lots/Garages
- Churches
- Historic Properties
- Banks
- Stone Quarries
- Assisted Living Centers
- Nursing Homes
- Group Care Homes
- Large/Medium Box Retail
- Restaurants
- Convenience Stores

In addition to performing appraisals on the preceding property types, specialized appraisal analyses involving facade easements, low income/affordable housing, historic and low income housing tax credits have been performed. Additional services completed include tax and condemnation valuation services and consultation.

PRIOR EXPERIENCE:

From February, 1979, until December, 1984, Corporate Vice President of Metropolitan Appraisal Company, with offices in Kansas City, Missouri.

From May, 1976, until January, 1979, full-time employment as a real estate appraiser with John D. O'Flaherty, MAI, SRPA.

From September, 1974, until April, 1976, employment as residential and commercial real estate agent.

EDUCATION:

M.B.A. In Finance, University of Missouri-Kansas City, Kansas City, Missouri, July, 1977.

B.S. Degree in Mathematics - Southwest Missouri State University, Springfield, Missouri, May, 1967.

PROFESSIONAL AFFILIATIONS:

Certified General Real Property Appraiser - State of Kansas Real Estate Appraisal Board, Effective July 1, 1991. State of Kansas Certification Number G-19

Certified General Real Estate Appraiser - State of Missouri Real Estate Appraisal Commission, Effective December 10, 1991. State of Missouri Certification Number RA 001990

Member of the Appraisal Institute, MAI Designation (1984-2001)

Member of the Real Estate Board of Johnson County, Kansas

Member of Heartland Multiple Listing Service

President of AIREA Kansas City Chapter #20 (1989)

Vice-President of AIREA Kansas City Chapter #20 (1988)

Treasurer of AIREA Kansas City Chapter #20 (1987)

Member - Board of Directors, AIREA Kansas City Chapter #20 (1986-1990)

Member - Board of Directors, Metropolitan Kansas City Board of Realtors (1987-1989)

Member - Board of Directors, Kansas City Data Service (1988-1991, 1998)

Member - Board of Directors, Appraisal Institute's Residential Database, Inc. (1998-2001)

PROFESSIONAL EDUCATION:

Instructor:

Appraisal Institute courses at Rockhurst University and Johnson County Community College (1989-1997)

Student:

The Appraisal Institute and State Appraisal Certification Law require initial and continuing education in real estate appraisal matters. Total requirements for continuing education result in my participation in at least 15 hours per year of real estate education. Total educational hours accumulated exceed 500 hours.

QUALIFICATIONS OF KEVIN P. O'BRYAN, MAI

EXPERIENCE:

From February 1990, to present, full-time employment as a Real Estate Appraiser for Cordry Appraisal Services, Inc., in Overland Park, Kansas. Currently a principal in the company and serving as the Director of Commercial Valuation Services.

Appraised a wide variety of properties for individuals, government, law firms, businesses, developers, and financial institutions. Qualified as an expert witness in both Kansas and Missouri. Properties types appraised include:

- Raw Land
- Farm Land
- Residential Land
- Subdivisions (Duplex & Single Family)
- Office Subdivisions
- Commercial Land
- Industrial Land
- Development Land Analyses
- Single Family Residences
- Duplex Units
- Residential Condominiums
- Apartments
- Loft Apartments
- Mobile Home Parks
- Churches
- Child Care Centers
- Assisted Living Facilities
- Group Care Homes
- Nursing Homes
- General & Medical Office Buildings
- Surgery Centers
- Office Condominiums
- Call Centers
- Data Centers
- Banks
- Restaurants
- Hotels/Motels
- Vehicle Service Properties
- Service Stations
- Convenience Stores
- Free Standing Retail
- Neighborhood Retail Centers
- Community Retail Centers
- Grocery Stores
- Large/Medium Box Retail Stores
- Storage Facilities
- Office Warehouses
- Manufacturing Warehouses
- Distribution Centers
- Mixed Use Properties
- Bowling Centers
- Ice Rinks
- Car Washes
- Parking Lots/Garages
- Historic Properties
- Stone Quarries
- Billboards
- Transmission Towers

In addition to performing appraisals on the preceding property types, specialized appraisal analyses involving facade easements, low income, affordable housing and historic tax credits, replacement allowances, subdivision, and development analyses have been performed. Additional services performed include tax consultation, blight studies, and condemnation services.

EDUCATION:

Bachelor's Degree in Economics from the University of Kansas.

Related coursework includes Business Law, Statistics, Money and Banking, Public Finance, Microeconomics, Macroeconomics, Economic Planning, Economic Systems, and Labor Economics. This coursework has been supported by an extensive math and English background.

PROFESSIONAL AFFILIATIONS:

Member of the Appraisal Institute, MAI Designation, Appraisal Institute, effective October 21, 2003. Appraisal Institute Member Number 12158.

Affiliate Certified Commercial Investment Member (CCIM) – Kansas City CCIM Chapter, Effective January 1, 2003.

Certified General Real Estate Property Appraiser - State of Kansas Real Estate Appraisal Board, Effective January 2, 1992. State of Kansas Certification number G-508.

State Certified General Real Estate Appraiser - State of Missouri Real Estate Appraisers Commission, effective February 2, 1992. State of Missouri Certification number RA 002143.

PROFESSIONAL SERVICE AND AWARDS:

Thavis Arnote Candidate Achievement Award and Scholarship recipient for Outstanding Candidate Achievement and Contribution to the Appraisal Industry, awarded June 2, 2003, by the Kansas City Chapter of the Appraisal Institute.

Public Relations Chair, Kansas City Chapter of the Appraisal Institute, effective January 1, 2003 to December, 2004.

PROFESSIONAL EDUCATION:

Seminar, *Appraising Convenience Stores*, Appraisal Institute On-line (September, 2007)

Seminar, *Appraising Manufactured Housing*, Appraisal Institute On-line (November, 2006)

Seminar, *7 Hour USPAP Equivalent Course*, Appraisal Institute On-line (May, 2006)

Seminar, *Market Analysis and the Site To Do Business*, Appraisal Institute, Overland Park, Kansas (March, 2006)

Seminar, *Using Your HP12C Financial Calculator*, Appraisal Institute On-line (June, 2005)

Seminar, *National USPAP Update*, Mid-western Real Estate Institute, Kansas City, Kansas (2004)

Seminar, *Small Hotel/Motel Valuation*, Appraisal Institute On-line (2004)

Seminar, *Appraisal of Nursing Facilities*, Appraisal Institute On-line (2004)

Seminar, *Analyzing Operating Expenses*, Appraisal Institute On-line (2003)

Seminar, *Introduction to GIS Applications for Real Estate Appraisal*, Appraisal Institute On-line (2003)

Successfully passed the *General Comprehensive Examination*, Appraisal Institute, St. Louis, Missouri (2002)

Course II430, *Standards of Professional Practice, Part C*, Appraisal Institute, Overland Park, Kansas (2002)

Seminar, *General Demonstration Appraisal Report Writing Seminar*, Appraisal Institute, Denver, Colorado (2002)

Seminar, *Residential Property Construction and Inspection*, Appraisal Institute On-line (2001)

Seminar, *The FHA and the Appraisal Process*, Appraisal Institute On-line (2000)

Seminar, *Appraising from Blueprints and Specifications*, Appraisal Institute On-line (2000)

Seminar, *Internet Search Strategies for Real Estate Appraisers*, Appraisal Institute On-line (1999)

Seminar, *Residential Design and Functional Utility*, Appraisal Institute On-line (1999)

Seminar, *Small Income Property Valuation*, Midwestern Real Estate Institute, Overland Park, Kansas (1998)

Seminar, *Understanding and Using DCF Software*, Appraisal Institute, Kansas City, Missouri (1998)

Seminar, *Uniform Standards of Professional Appraisal Practice & Ethics*, Midwestern Real Estate Institute, Lenexa, Kansas (1997)

Seminar, *Appraisal Practices for Litigation*, Appraisal Institute, Kansas City, Missouri (1996)

Course I410, *Standards of Professional Practice, Part A*
(Examination - I410), Appraisal Institute, Kansas City, Missouri (1995)

Course II420, *Standards of Professional Practice, Part B*
(Examination - II420), Appraisal Institute, Kansas City, Missouri (1993)

Course 2-2, *Report Writing and Valuation Analysis*
(Examination - 2-2), Appraisal Institute, Overland Park, Kansas (1992)

Course 2-1, *Case Studies in Real Estate Valuation*
(Examination - 2-1), Appraisal Institute, Overland Park, Kansas (1992)

Course 1BB, *Capitalization Theory & Techniques, Part B*
(Examination - 1BB), Appraisal Institute, Overland Park, Kansas (1991)

Course 1BA, *Capitalization Theory & Techniques, Part A*
(Examination - 1BA), Appraisal Institute, Overland Park, Kansas (1991)

Course 8-2, *Residential Valuation*
(Examination - Residential Valuation), Appraisal Institute, Overland Park, Kansas (1991)

Course 101, *Introduction to Appraising Real Property*
(Examination - Appraising Real Property), Appraisal Institute, Overland Park, Kansas (1991).

Professional Practice and the Society of Real Estate Appraisers
(Examination - Uniform Standards of Professional Appraisal Practice), Society of Real Estate Appraisers, Kansas City, Missouri (1990).

ADDENDUM A
SUBJECT PHOTOGRAPHS

SUBJECT PHOTOGRAPHS

Kansas Speedway development land
located at 600 Village West Parkway
Kansas City, Kansas 66111



View of subject from turn 2



View of Speedway from subject parcel at turn 2

SUBJECT PHOTOGRAPHS

Kansas Speedway development land
located at 600 Village West Parkway
Kansas City, Kansas 66111



View of Speedway from subject parcel at turn 3



View of subject from backstretch

SUBJECT PHOTOGRAPHS

Kansas Speedway development land
located at 600 Village West Parkway
Kansas City, Kansas 66111



View of subject from backstretch



View of subject from backstretch

SUBJECT PHOTOGRAPHS

Kansas Speedway development land
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Kansas City, Kansas 66111



View of Speedway from backstretch



View of Speedway from backstretch

SUBJECT PHOTOGRAPHS

Kansas Speedway development land
located at 600 Village West Parkway
Kansas City, Kansas 66111



View of Speedway from backstretch



View South along Valley Parkway

ADDENDUM B
COMPARABLE LAND SALES

COMPARABLE LAND SALE #1
CORDRY APPRAISAL SERVICES, INC.

INDEX # 65049
10/21/2007 File # 2616

PROPERTY IDENTIFICATION

Property name: INDIAN CASINO LAND
Address: 11104 STATE AVENUE
City, state, zip code: KANSAS CITY, KANSAS 66012
County: WYANDOTTE

Category: SALE
Photo ID #: K:\C-11104 STATE AVE.JPG
Appraisal file #: 2474.0, 2527.0

SALE TRANSACTION DATA

Grantor: MINNESOTA AVE, INC.
Grantee: KICKAPOO TRIBE
Sale date: 6/20/2004
Sale price: \$9,583,200

Deed/Terms/Rights: FEE SIMPLE
Financing source: CASH TO SELLER

SITE DESCRIPTION & PHYSICAL CHARACTERISTICS

Land area (acres): 79.58
Land area (sf): 3,466,635
Specific use: SPECULATION
Location in block: CORNER
Land topography: GENTLY ROLLING
Zoning: M-3, INDUSTRIAL
Land dimensions: IRREGULAR
Street frontage: AT THE NORTHEAST CORNER OF STATE AVENUE AND N. 118TH STREET.

Tax identification #: 949106

Utilities: ALL AVAILABLE
Floodplain influence: NONE

Drainage: ADEQUATE

ANALYSIS

Price per square foot:	\$2.76
Price per acre:	\$120,418
Price per site:	\$9,583,200

COMMENTS

THE SUBJECT WAS ZONED M-3, INDUSTRIAL AT THE TIME OF SALE BUT IS LOCATED IN AN AREA OF PLANNED COMMERCIAL AND BUSINESS PARK USES ACCORDING TO THE FUTURE LAND USE PLAN.

PROPERTY IDENTIFICATION

Property name: SCHLITTERBAHN
Address: S. SIDE PARALLEL PKWY @ 99TH
City, state, zip code: KANSAS CITY, KANSAS 66111
County: WYANDOTTE

Category: SALE
Photo ID #: K:\C-SCHLITTERBAHN.JPG
Appraisal file #: 2527.0, 2616.0

SALE TRANSACTION DATA

Grantor: VARIOUS
Grantee: S VV I, LLC
Sale date: 3/15/2006
Sale price: \$33,311,900

Confirmed by: MARK BOETTCHER
Deed/Terms/Rights: FEE SIMPLE
Financing source: CASH TO SELLER

SITE DESCRIPTION & PHYSICAL CHARACTERISTICS

Land area (acres): 185.80
Land area (sf): 8,093,448
Specific use: RECREATION
Location in block: CORNER
Land topography: GENTLY TO MODERATELY ROLLING
Zoning: CP-2, COMMERCIAL
Land dimensions: SLIGHTLY IRREGULAR
Street frontage: ALONG THE S. SIDE PARALLEL, E. SIDE I-435
Utilities: PARTIALLY LACKS SEWER
Floodplain influence: NONE
Drainage: ADEQUATE

ANALYSIS

Price per square foot:	\$4.12
Price per acre:	\$179,289
Price per site:	\$33,311,900

COMMENTS

AS OF APRIL 2007, THERE ARE 23 SELLERS AND 25 PARCELS TOTALING 185.8 ACRES (BASED ON COUNTY RECORDS). THE PROPERTY WILL BE COMBINED WITH THE 141.06 ACRE PARCEL THAT SUPPORTS THE WYANDOTTE COUNTY FAIRGROUNDS AND THE COURTHOUSE ANNEX. THE PRIVATE ACQUISITIONS ARE NOT YET COMPLETE. DEVELOPMENT RIGHTS FOR THE 141.06 ACRES WILL BE GRANTED IN EXCHANGE FOR RELOCATING THE FAIRGROUNDS AND COURTHOUSE ANNEX. THE COST OF THE RELOCATION IS BELIEVED TO BE COMPARABLE TO THE LAND ACQUISITION COST. STAR BONDS ARE LIKELY TO BE GRANTED AND WILL OFFSET THE INFRASTRUCTURE COSTS. ZONING WILL BE CP-2, GENERAL BUSINESS.

COMPARABLE LAND SALE #3
CORDRY APPRAISAL SERVICES, INC.

INDEX # 64965
10/21/2007 File # 2616

PROPERTY IDENTIFICATION

Property name: PLAZA AT THE SPEEDWAY
Address: N. SIDE PARALLEL, 104TH TO 108TH
City, state, zip code: KANSAS CITY, KS 66109
County: WYANDOTTE
Legal description: 16 PARCELS (11 SELLERS)

Category: SALE
Photo ID #: L PHOTOS\NEC 109TH & PARALLEL.JPG
Appraisal file #: 2527.0, 2616.0

SALE TRANSACTION DATA

Grantor: MULTIPLE PARTIES
Grantee: PLAZA AT THE SPEEDWAY
Sale date: 10/1/2007
Sale price: \$19,967,033

Confirmed by: CHARISE SEDLOCK, BROKER

Deed/Terms/Rights: FEE SIMPLE
Financing source: CASH TO SELLER

SITE DESCRIPTION & PHYSICAL CHARACTERISTICS

Land area (acres): 78.13
Land area (sf): 3,403,256
Specific use: COMMERCIAL
Location in block: CORNER
Land topography: GENTLY ROLLING
Zoning: COMMERCIAL
Land dimensions: SLIGHTLY IRREGULAR
Street frontage: ALL THE NORTH SIDE OF PARALLEL PARKWAY, W. SIDE 104TH, E. SIDE 108TH

Tax identification #: MULTIPLE PROPERTIES

Utilities: ALL AVAILABLE
Floodplain influence: NONE

Drainage: ADEQUATE

ANALYSIS

Price per square foot:	\$5.87
Price per acre:	\$255,568
Price per site:	\$19,967,033

COMMENTS

PARCEL #S-947116, 947102, 947101, 945212, 945211, 945206, 945207, 945204, 947103, 947104, 947117, 947107, 947119, 947100, 947115 THIS IS A PENDING SALE OF AN ASSEMBLAGE OF 16 TRACTS (11 SELLERS). THE SALE WAS CONTINGENT ON FINALIZATION OF THE SITE PLAN, ZONING APPROVAL, AND ARRANGEMENT OF TIF FINANCING OF \$3.13/SF. BLOCK AND COMPANY IS DEVELOPING THE SITE AND REPORTEDLY WAL-MAR

PROPERTY IDENTIFICATION

Property name: BOZICH PROPERTY
Address: 10322 RIVERVIEW AVENUE
City, state, zip code: EDWARDSVILLE, KANSAS 66111
County: WYANDOTTE

Category: LISTING
Photo ID #: K:\C-10322 RIVERVIEW AVE.JPG
Appraisal file #: 2474.0

SALE TRANSACTION DATA

Grantor: MARIA D. AND GEORGE BOZICH JR.
Sale date: 3/6/2007
Sale price: \$8,700,000

Confirmed by: CHRISTINA ELAM, PRUDENTIAL CARTER-DUFFEY, LISTING AGENT
Deed/Terms/Rights: FEE SIMPLE
Financing source: CASH TO SELLER

SITE DESCRIPTION & PHYSICAL CHARACTERISTICS

Land area (acres): 52.75
Land area (sf): 2,297,921
Specific use: SPECULATION
Location in block: INTERIOR
Land topography: ROLLING
Zoning: COMMERCIAL
Land dimensions: IRREGULAR
Street frontage: ALONG THE NORTH SIDE OF RIVERVIEW AVENUE.
Utilities: NO SEWER
Floodplain influence: NONE
Drainage: ADEQUATE

Tax identification #: 944806

ANALYSIS

Price per square foot:	\$3.79
Price per acre:	\$164,920
Price per site:	\$8,700,000

COMMENTS

THE SITE IS CURRENTLY ZONED R-1, BUT IT IS LOCATED IN THE RIVERVIEW DEVELOPMENT DISTRICT, WHICH IS FUTURE USE PLANNED FOR COMMERCIAL DEVELOPMENT. THE SITE IS MINIMALLY IMPROVED WITH A SMALL RESIDENCE AND OUT BUILDINGS, WHICH HAVE NOMINAL VALUE COMPARED THIS PROPERTY IS CURRENTLY LISTED BY PRUDENTIAL CARTER-DUFFEY.

ADDENDUM C
APPRAISAL INSTRUCTIONS